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Annex

East Asia

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East Asia
ANNEX

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Japan

Soviets To Acknowledge Wrongful War Detentions

OW1409174791 Tokyo THE DAILY YOMIURI in English 12 Sep 91 p 2—FOR OFFICIAL USE ONLY

[Text] Tsuruoka, Yamagata—The Soviet Union will issue certificates later this month to former Japanese prisoners of war, acknowledging that they were wrongfully imprisoned after World War II.

The All-Japan Association of Former Internees for Compensation said Wednesday a delegation from the Soviet supreme military prosecution bureau will arrive in Japan on Sept. 19 at the invitation of the association.

The group will deliver the certificates to about 100 former POWs or their families on Sept. 24 in Tsuruoka, where the association is headquartered.

The Japanese were imprisoned in Chita, Siberia, after being court-martialed there.

This is the second time Soviet authorities have acknowledged wrongfully imprisoning Japanese as POWs. In May, the Soviets issued a similar certificate to Tsunao Nikaido, 79, of Yamagata-ken.

Across Siberia, a total of about 3,000 Japanese are said to have been incarcerated on unsubstantiated charges, some for speaking fluent Russian, the association said.

Rokuro Saito, the association chairman, visited the Soviet bureau in March to ask for a reexamination of Nikaido's case.

At that time, Soviet prosecutors asked Saito if any other Japanese POWs were wrongfully sentenced in Chita. Prosecutors then pledged to reexamine the additional cases, Saito said.

Editorial Urges Faster U.S., Soviet Disarmament

OW1409000291 Tokyo ASAHI SHIMBUN in Japanese 10 Sep 91 Morning Edition p 2—FOR OFFICIAL USE ONLY

[Editorial: "Nuclear Disarmament and Strict Control of Nuclear Weapons Urged"]

[Text] The political turmoil in the Soviet Union is creating an opportunity for promoting nuclear disarmament between the East and the West. With one-party dictatorial rule by the Communist Party behind us, history is moving in a desirable direction and at this time, both the United States and the Soviet Union have a great responsibility. We hope that at this difficult time, both the United States and the Soviet Union will further move toward disarmament.

Defense Secretary Cheney of the United States has announced plans to reduce sharply the short-range nuclear forces (SNF) deployed in Europe and said the plans would be brought up at defense ministerial talks with NATO. The SNF are short-range nuclear weapons like Lance missiles, and they have been pushed aside at the disarmament talks to date. We hope that NATO will further reduce them and eventually abolish them once and for all.

After the Gorbachev regime was instituted in the Soviet Union, a treaty on intermediate nuclear forces (INF), feared to turn Europe into a nuclear battle field, was concluded between the United States and the Soviet Union in December 1987. Later in November 1990, a treaty on European conventional forces was concluded and a treaty on the START was concluded in July this year. If the reduction of the SNF materializes, this would greatly ease military tensions in Europe.

"The flexible response strategy, that aims to respond flexibly the Warsaw Treaty Organization (WTO), using both nuclear and conventional war capabilities, could not be sustained without the SNF [sentence as published].

If the SNF is drastically reduced, the historical role of the strategy would basically come to an end. This is the time for the United States to make a sweeping review of the nuclear weapons.

A political test by President Gorbachev has brought many difficulties and a severe trial to the Soviet Union, but it has certainly precipitated reconciliation between the East and the West. The United States, now playing a leading role in the West, should not look at the domestic turmoil of the Soviet Union as a spectator, but foster a climate for peace and stimulate a wide- ranging disarmament.

It is not right to upgrade the performance of nuclear weapons, while reducing them quantitatively. The idea of modernizing the performance of the SNF by carrying them in fighter-bombers should be abandoned because such an idea is inconsistent with the human ideal for abolishing nuclear arms.

Perestroyka has contributed to easing tensions between the East and the West, but it has led the Soviet Union to face a grave crisis of dismantling and reshaping itself in the wake of the recent abortive coup. Despite improved East-West relations, the control of nuclear weapons in the Soviet Union has surfaced as a major issue. This is a situation that we would have not anticipated a few years ago.

According to information revealed by the United States, of 16 ICBM bases in the Soviet Union, 12 bases are located in the Russian Republic. Besides these, the Soviet Union has a variety of nuclear weapons including the SNF and sea-based nuclear weapons.

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President Yeltsin announced that the Russian Republic would control all of the nuclear weapons in the Soviet Union. However, we do think that such a control will proceed smoothly.

We hope that the leaders of the federation and republics will realize their grave responsibility in controlling nuclear weapons. The unitary control of the nuclear weapons in the Soviet Union is an absolute condition. The control of the nuclear weapons should not be allowed to be used as a domestic political tool by leaving them in the hands of a number of administrative organizations. Measures should be taken to prevent nuclear weapons from being involved in confrontation among republics that may occur in the future.

Some republics are reportedly moving toward denuclearization. The world hopes that this move will further spread to all parts of the Soviet Union and will result in shifting the military-oriented economy to a civilian industry through reduction in military spending.

Terms of Timber Project With Soviets Outlined

OW1209041391 Tokyo TOKYO SHIMBUN in Japanese 8 Sep 91 Morning Edition p 3—FOR OFFICIAL USE ONLY

[Text] It is expected that the basic contract for the fourth Far East Forest Resource Development (KS) Project will be officially signed in Tokyo at the end of September. This plan known, as the KS Project, is the only program that can be defined as a "national project" between Japan and the Soviet Union. On 7 September a concerned source diclosed that as a result of discussions held at a recent work group meeting, an accord was reached on settling various pending issues that stated: 1) the Japanese side will withdraw its demand for a reduction in timber prices, and 2) the Soviet side will grant to the Japanese side a 90-day interest-free usance (time allowed for payment) after the timber has been shipped. Despite the fact that the Soviet Union is in a state of disorder in the wake of the abortive coup, it seems most likely that this "project under local initiative" will soon materialize because the party to sign the contract is a Russian Republic association.

While the first three KS projects were promoted with the support of the state, the fourth was originally scheduled to start in 1987 as a private sector project. However, the two sides encountered difficulties during negotiations because the Soviet side strongly wanted to export their processed timber products, and there was also a great disparity between the two nations concerning the quantity and price of wood for export to Japan. An accord was reached on the basic points at the 13th Japanese-Soviet Joint Economic Committee session held in late January.

However, while guaranteeing the import quantity for five years, the Japanese side strongly demanded that the price be reduced by about three percent in accordance with a Western practice in business transactions. On the other hand, due to the domestic shortage of foreign exchange, the Soviet side did not comply with the demand for price reduction.

With regard to joint projects between the two nations for developing resources, "tenders are currently being invited" for projects to develop oil and natural gas off the coast of Sakhalin (with total costs reaching approximately $9 billion); a project for developing natural gas in Yakult (with total costs reaching over $10 billion) is also currently under study. However, since these projects will require huge amounts of funds, it will probably take several years before they can materialize.

The current project for developing forest resources is one of the most realistic programs, and it will certainly have a favorable impact on the two nations' trade and economic exchanges which have been rather sluggish recently. President Grobovskiy [as published] of the Association of Exporters of Far East Timber Products (Dalniy Export Trust) and others will visit Japan to attend the official signing of the contract. Among those from the Japanese side who will attend are Tomio Tatsuno, chairman of the Forest Resource Committee under the Japanese-Soviet Economic Committee (and who is also president of Marubeni Corporation).

Ozawa Discusses LDP Presidential Election

OW1909051791 Tokyo YOMIURI SHIMBUN in Japanese 18 Sep 91 Morning Edition p 3—FOR OFFICIAL USE ONLY

["Summary" of interview with Ichiro Ozawa, acting chairman of the Takeshita faction of the Liberal Democratic Party (LDP), from the "Interviews With Advisers of the Four LDP Factions" column; place and date not given]

[Text] [YOMIURI] How do you feel?

[Ozawa] Thanks to your favor [okagesan de], I have slimmed down to my weight of 10 years ago. I feel great. I had been told that my heart was robust; well, it has proven weak. [laughter]

[YOMIURI] Some people in Nagata-cho say that it was not a heart attack but a cardiac infarction.

[Ozawa] As long as I am healthy, let people say what they want.

[YOMIURI] Has there been any change in your mental disposition?

[Ozawa] I have decided to be more amicable and to avoid offending people. On the other hand, I intend to engage in more intellectual discussions concerning Japan's role in a tumultuous international community.

[YOMIURI] Please give us your assessment of the Kaifu administration.

[Ozawa] As a prime minister who emerged in the middle of a raging scandal, Mr. Kaifu faithfully performed his duties. However, I have to agree with certain opinions and criticisms concerning Mr. Kaifu's perception of the times and his policies. When criticized, a leader has to indicate his own perception of the times, his view of history, before the people and the party members. That is one basis on which we will select the party president.

[YOMIURI] Will the Takeshita faction nominate its own candidate?

[Ozawa] Only two years ago, we had the Takeshita administration. If the majority wants the Keisei-kai (Takeshita faction) to take over the political regime again, I think it is all right to accept and nominate a candidate. However, barely two years have passed and powerful members such as Mr. Miyazawa (former deputy prime minister) and Mr. Watanabe (former chairman of the Policy Research Council) have stated that they want the job. I think it is not the right time for us to take it upon ourselves to put up our own show.

[YOMIURI] Is a comeback by former Prime Minister Takeshita probable?

[Ozawa] If the condition of the times asks for it, and everybody asks for it, it may be inevitable regardless of his own wishes. A decision will have to be made in such a case.

[YOMIURI] Are you not concerned that the Takeshita faction may become a hunting ground for the other factions?

[Ozawa] I do not think that will happen. It is absolutely improbable that we will become disunited and that there will be conflict among ourselves.

[YOMIURI] There are talks about a discord between Mr. Takeshita and former Deputy Prime Minister Kanemaru.

[Ozawa] I think they say what they want exactly because they are close. If they stand on ceremony they will not talk that way. They are on such terms that they can say "what is he, that rascal." They have come to have great influence because they conducted political activities as a team. There is nothing to be gained if they part ways.

[YOMIURI] Some people oppose the Takeshita faction's control and say that the "Kaifu administration" is a puppet regime.

[Ozawa] That is nonsense. While people say that, they seek the Takeshita faction's cooperation and ask us to nominate a candidate for party president. We had an election at that time, and the majority chose Mr. Kaifu. It was not our faction that made the decision and forced it on the others.

[YOMIURI] The cabinet of Prime Minister Kaifu enjoys a high support rate. Does this tally with the opinion inside the party?

[Ozawa] Since Diet members are representatives of the voters, opinion inside the party reflects the people's voice. There is no way to separate the two or for either one to exist alone.

[YOMIURI] What would you ask from Mr. Miyazawa and the other powerful members?

[Ozawa] I will not question their individual personality or mental disposition. Take, for instance, personal dignity. A person's views precisely reflect his character. It is alright to be courageous and state one's beliefs.

[YOMIURI] Some people believe that Diet members involved with the Recruit scandal should be enlisted and assigned appropriate jobs.

[Ozawa] If you are talking about whether they are qualified, I think the people have passed their judgment on them through the election.

[YOMIURI] Are you saying that it does not matter if a cat is black, as long as it catches the mouse?

[Ozawa] It depends on the times and the national condition. Japan-Soviet relations and Japan-U.S. relations may go in the wrong direction in the future. We have entered uncertain times. At a time when the country is experiencing hard times, it will not do for an ineffective cat to be doing the job.

[YOMIURI] What are the desired qualifications of a leader at a time like this?

[Ozawa] I suppose they must have a historical sense, foresight, and an ability for prompt decision. Being prompt in deciding is being responsible.

Ishihara's Position in LDP Race Analyzed

OW1809034591 Tokyo NIHON KEIZAI SHIMBUN in Japanese 12 Sep 91 Morning Edition p 2—FOR OFFICIAL USE ONLY

[Unattributed article: "Will Ishihara Cause 'Factional' Disarray?"—fifth in the series: "91 Political Scene—Part 5"]

[Text] In the concluding remarks of his speech, Michio Watanabe, 68, cracked a joke, saying "if Mr. Ishihara is not running (in the presidential election), I ask for his favors [yoroshiki]." Everyone laughed and applauded. Shintaro Ishihara, 58, nodded in agreement, and said: "Oh, it was a lot of fun. I think we should do this more often."

This was at the start of a series of discussions with powerful politicians organized by Ishihara's policy study group, "Reimei-no-kai," during the regular meeting of the group on 11 September. In public opinion polls on "who is suitable to become the next prime minister?" Ishihara has always scored a high support rate. Since Ishihara once ignored the decision of his faction, the Abe faction (the present Mitsuzuka faction), and ran in the presidential race before the Kaifu administration was inaugurated, this series of discussions with powerful politicians, which is seen as an indication that Ishihara "has started to move toward this autumn," has become a subject of interest in the Liberal Democratic Party [LDP].

Ishihara laughs this off. "What are you talking about? I am not burning with the desire to join the action." The 24 members of the Reimei-no-kai, mostly younger members of the Mitsuzuka faction, all agree that "two years ago, there was the moral justification of negating closed door consultations; the present situation is different." "In the first place, he is not even sure whether he can gather the required endorsements of 30 Diet members."

Nevertheless, the Mitsuzuka faction is on the alert. In late August, an official advised Hiroshi Mitsuzuka, 64, that "the declaration of candidacy should be made, and made at an early date." The reason is, if Mitsuzuka hesitates to run, this will give Ishihara an excuse to say, "then, I will run." This is also one reason Mitsuzuka has maintained that he intends to run.

That is not the only reason. The reason why Mitsuzuka's aides are being very sensitive is that they can feel the backing of the chairman of the LDP Policy Research Council, Mutsuki Kato, behind Ishihara. After the death of Shintaro Abe, Kato and Ishihara formed an alliance to oppose Mitsuzuka's becoming the faction chairman. The prevailing view in the faction is that the reason Ishihara, who used to be close to Mitsuzuka, betrayed the latter was because Kato enticed him by saying "I will give you full support for your candidacy as party president."

The flame of the "Sanroku War" [rivalry between Mitsuzuka and Kato; "san" taken from the first character of Mitsuzuka's surname, and "roku" taken from the first character of Kato's given name] is still smoldering. In early September, younger Diet members ran to a factional official close to Mitsuzuka. According to them, Kato resently told younger Diet members who sided with him during the "Sanroku War" that "we cannot stay under Mitsuzuka forever; even if we are few in number, let us form our own group."

Rumors have it that Kato is planning to form a new group which will involve the chairman of the General Council, Takeo Nishioka, 55, who has left the Miyazawa faction. Although Mitsuzuka's aides remain indifferent, saying "only three or four people will follow him," if Ishihara forms an alliance with Kato and declares his candidacy, Mitsuzuka will surely have a number of votes taken away from him and suffer a serious damage.

Advisers to Ishihara, Shizuka Kamei, 54, and Takeo Hiranuma, 52, lately frequent the faction's office and chat with Mitsuzuka and others. In view of this, faction officials assert that "whether to sacrifice his own political career by following the minority led by Kato, or to think of his own future and stay with the Mitsuzuka group—Kamei is a man who is, at least, capable of calculating the merits and demerits," thus negating the speculation that Kato and Ishihara may realign.

Rumors are rife inside the faction these days that "in the next round of personnel changes, Ishihara will either be appointed chief secretary of the faction, or chairman of the Committee on the Budget or Committee on Rules and Administration." The logic here is that one aiming to be a presidential candidate should first sweat it out in factional administration and in the Diet. However, the problem for Ishihara is that even if he follows this course, there is no guarantee that he will indeed be put up as a candidate for party president.

It is also true that many of the leading and younger faction members, who are presently united in their support for Mitsuzuka, say that "his charisma, which has popular appeal, is not altogether inconsequential." Whether he ought to establish a good performance record through hard work or foment a rebellion in the faction—it will soon be the time for Ishihara to make a decision.

Miyazawa Discusses Political Views, Candidacy

OW0809200991 Tokyo MAINICHI SHIMBUN in Japanese 4 Sep 91 Morning Edition p 2—FOR OFFICIAL USE ONLY

[Interview with Kiichi Miyazawa of the Liberal Democratic Party, by Hirokazu Ishigami, director of MAINICHI SHIMBUN's Political Affairs Department; first in series of interviews with LDP faction leaders entitled "Fall '91 Political Scene—Interviews on 'Desirable Administration'"; place and date not given; first paragraph is MAINICHI SHIMBUN introduction]

[Text] Prime Minister Kaifu's term in office will expire two months from now. Factions in the ruling Liberal Democratic Party [LDP] have started moving toward the "next one." The election of the LDP president, who also serves as prime minister, is about to take place without discussions on such pending issues as promoting political reform and coping with upheavals in the political and economic situations in both Japan and the international community. We interviewed LDP leaders on their opinions about a "desirable administration."

[Ishigami] The Soviet Union is undergoing drastic changes as witnessed in the failed coup and the declaration of the CPSU's dissolution. How do you foresee the development of the Soviet situation?

[Miyazawa] Most of the Soviet republics cannot independently maintain their economies. Therefore, I think that they will not completely break from each other, although the framework of the Soviet Union is likely to become very loose in the future. I suppose that they will face trials and errors for about 10 years. Large-scale financial aid to the Soviet Union may be made after making sure that the nation is capable of handling it appropriately. With respect to the Northern Territories issue, the situation is unlikely to change immediately.

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[Ishigami] In your honest opinion, how do you rate the Kaifu administration over the past two years?

[Miyazawa] I think that he did a great job as a relief pitcher who had to cope with an emergency situation. However, Japan currently faces a big question: How should it cope with drastic changes in the world as an economic superpower? Regarding domestic affairs, we should re-establish social fairness because the public's sense of unity was impaired by the securities scandals and other unfavorable phenomena resulting from the so-called bubble economy. The nation now needs politics to cope with long-ranging tasks.

[Ishigami] In connection with that, there are voices calling for "full-fledged leadership." What is your comment?

[Miyazawa] While I think that we need an administration of much perspicacity to cope with pending problems, it is unfair to criticize Mr. Kaifu on this point because we entrusted the premiership to him under certain circumstances, as you know. The qualification (of a full-fledged administration) is fully described in two words: legitimacy and clarity. The administration should be designed so that the public can easily see a qualified leader making appropriate decisions as circumstances demand. The prime minister should be like the captain of a supertanker.

[Ishigami] Meanwhile, it is true that the Kaifu administration has very strong public support.

[Miyazawa] In my opinion, Mr. Kaifu's popularity is like that of a high school baseball player. It may not be appropriate to say that he is handsome, but his earnest attitudes make a favorable impression. Frankly speaking, however, he is still like an amateur from my viewpoint as a professional.

[Ishigami] Do not you think that the professionals also have problems in their qualification because of to their involvement in the recruit scandal?

[Miyazawa] I should acknowledge my mistakes in the past. I will remember them for the rest of my life. Nevertheless, I cannot understand why you still talk about the issue (of post-scandal discipline) even though I have survived general elections since then.

[Ishigami] There is speculation that three political reform bills, which were proposed as the LDP's "conclusion" to the political scandals, are unlikely to be approved during the current extraordinary Diet session.

[Miyazawa] My basic stance is that political reform should be completed at all costs. However, there are very strong conflicts of interest, even among LDP members, because the issue involves a rearrangement of constituencies under the single-seat election system. The bills have triggered various opinions, not only within the LDP but also within the opposition, and we can only finalize an appropriate plan via thorough discussions. I suppose that we are in the first phase of the process.

[Ishigami] Do you mean that the issue should be regarded as a long-range task?

[Miyazawa] I think this is inevitable. Younger LDP dietmen are in serious trouble because their voters will press them for answers if the election reform plan is implemented as it now stands. They say that their supporters will leave them if they neglect the situation. We should take this into account in dealing with the political reform issue. However, we should not give up political reform, even if the bills are scrapped this time.

[Ishigami] You are attracting public attention because of your timing in clarifying your attitude toward the election. When will you declare your candidacy?

[Miyazawa] I would like to provide my campaign pledges before declaring my candidacy. Also, I should not disturb Diet discussions by declaring my candidacy since the Diet is now discussing the political reform bills. I will finalize my attitude in view of these circumstances.

[Ishigami] As a strategy for the presidential election, do you intend to seek a "benevolent government" by waiting for public support for you according to your cherished opinion, or a "high-handed government" by engaging in a struggle for the power?

[Miyazawa] I cannot change my opinion so easily because (the benevolent government theory) has already become my long-standing concept. However, I should not say this right now since all my supporters are getting ready for a fight to help me. I am trying not to refer to the issue right now.

[Ishigami] You have long been having a hard time in "premiership races."

[Miyazawa] After all, I have been wavering in my judgment on the aforementioned issue (of determining that he should seek a benevolent government or a high-handed government instead). I think this is the reason that I have had to come such a long way.

[Ishigami] Are you filled with deep emotion in facing your "last chance"?

[Miyazawa] Well, I might not be considering candidacy at this time if I had not seen such drastic changes in the foreign and domestic situation. It probably sounds quite conceited, but I feel that we are facing a critical situation.

Watanabe on Qualifications for Premiership

OW0909124091 Tokyo THE DAILY YOMIURI in English 9 Sep 91 p 2—FOR OFFICIAL USE ONLY

["Political Pulse" column article by Kenji Kitahara, YOMIURI SHIMBUN political editor: "Michio Watanabe's Hunger for the Premier's Post"]

[Text] Among the prospective candidates in the Liberal Democratic Party's [LDP] presidential election in

October, only Michio Watanabe, former chairman of the LDP Policy Research Council, has been speaking out boldly for himself.

Whenever he has been asked if he would run or not, his answer has been, "Yes, I will." Almost always he has gone on to stress, "No reelection," to insist that Prime Minister Toshiki Kaifu should not keep his post after his two-year term expires in October.

"In this tumultuous international situation, the prime minister (LDP president), must be a well-rounded person," Watanabe declares.

Watanabe has caused many stirs with controversial remarks, such as his comment in March 1986 that voters supporting opposition parties were "fish snagged by feather lures."

But as far as the LDP presidential race is concerned, Watanabe's statements so far have been very clear cut.

"You've got to be well rounded," Watanabe says of what is required of the prime minister. Watanabe believes that a politician seeking to become prime minister should not only have knowledge but also experience-perhaps as much experience as to serve ministerships-in such fields as diplomacy, national security and the economy.

By saying so, he is suggesting that Kaifu, even if he should stay in office after October, is not qualified as prime minister in this troubled time.

In addition to the chairmanship of the Policy Research Council, Watanabe in the past had served as finance minister, international trade and industry minister, agriculture, forestry and fisheries minister and health and welfare minister.

He is especially knowledgedable in finance, economics and international monetary affairs.

An outspoken speaker, Watanabe is often criticized by many for being "too coarse" or behaving like a street hawker.

Despite all these criticisms, he is a strong candidate to become future prime minister. His own "selling point," he says, is to pursue "honne politics," meaning that he would not hide his real motives in doing anything.

At age 68, he is the leader of a 67-member faction, the fourth largest LDP clique.

One of his big problems is how to deal with the Takeshita faction, the party's largest. A Takeshita-Watanabe coalition would be possible if the Takeshita group abandons Kaifu and backs Watanabe, or that the Takeshita faction comes up with its own candidate with Watanabe's backing. Watanabe would collect on such an IOU in future.

In the meantime, one of the speculations in political circles is that the three factions-Mitsuzuka, Miyazawa and Watanabe-are seeking to form a coalition.

In this choice, however, Watanabe may have to make concessions to two other factions because his faction is the smallest of the three and the Miyazawa faction's head, former Deputy Prime Minister Kiichi Miyazawa, is still not only more senior but also better known nationally than Watanabe.

Watanabe might be satisfied, as a second best choice, to serve as party secretary general under Miyazawa's party leadership if he should win the presidential race. If he should form such a coalition with Miyazawa, however, Watanabe must at least win a guarantee that he will succeed Miyazawa once his term as prime minister will end.

The biggest problem in this trifaction coalition is that it might produce the enmity of the powerful Takeshita faction.

Watanabe might to able to win this fall's party election if a tri-faction coalition should decide to back him. But if he should fail to do so, Watanabe may only end up being on bad terms with the Takeshita faction and dimming his hopes for future election.

Watanabe originally planned to promote former Prime Minister Noboru Takeshita's return to office this fall. In return, Watanabe was expecting the post of either party secretary general or deputy prime minister under Takeshita. Either post would have worked as a springboard to become prime minister after Takeshita.

However, it is now very unlikely that Takeshita will run in the party election. Former Deputy Prime Minister Shin Kanemaru, head of the Takeshita faction, has hinted that the faction might support Kaifu's reelection, which is totally unacceptable to Watanabe.

It is also likely that a tri-faction coaliton-another Watanabe option-would not guarantee his future prospects as party leader and premier.

Watanabe, despite appearances, is now under great pressure.

But at least he is not a total writeoff from a long-term perspective. Watanabe's relationship with Takeshita and Kanemaru, always been rather good. That is something that Miyazawa has lacked.

Unlike Miyazawa, who regards this fall as his last chance to become prime minister, Watanabe still has many chances in future.

Recently he said something like, "give me 10 more years." That will be too long, but Watanabe, by now, must have come up with his own strategy based on a long-term perspective-to seek first a cooperative relationship with the Takeshita faction.

LDP's Komoto Interviewed on Political Issues

OW1109225391 Tokyo MAINICHI SHIMBUN in Japanese 9 Sep 91 Morning Edition p 2—FOR OFFICIAL USE ONLY

[Interview with Toshio Komoto, chairman of the Komoto faction, from series of interviews entitled "Fall '91 Political Scenes—Inteviews on 'Doctrine for Political Power'"; place and date not given]

[Text] [MAINICHI SHIMBUN] What do you think of the political changes in the Soviet Union? What are their effects on Japan?

[Komoto] I think they are equal to the major changes of the 20th century, like World War I, the Russian revolution, and Warld War II. The fact that the influence of the conservative factions was significantly reduced and that a new system was established, one in which we can discuss the territorial issue as well, is major step forward in Japanese-Soviet relations.

[MAINICHI SHIMBUN] Deliberations on the three political reform bills will start soon.

[Komoto] The government and the Liberal Democratic Party [LDP] have finally finished preparing the bills. However, all the opposition parties are against the bills. Since the oppositon parties hold the majority in the upper house, it will be very difficult to pass the bills in both the upper and lower houses. I think that the opposition will come up with some sort of counterproposals and that discussions will progress while their proposals are compared to those of the government.

[MAINICHI SHIMBUN] Some people are talking about continuous service or ending the Kaifu government by linking it with the idea of carrying the bills into the next session or abolishing them.

[Komoto] I cannot understand that argument. The political reform is a major reform designed to determine foundations for the establishment of the second constitution and nation. A period of deliberation, even if it is started on 10 September, will be only two weeks. From the beginning, it was impossible physically, as well as in terms of time, to form a constitution in two weeks. In turn, it is too hasty to directly relate this to the responsibility of the Kaifu cabinet.

[MAINICHI SHIMBUN] How do you assess the Kaifu government's two-year performance record?

[Komoto] He has really done well during the past two years. In the lower house election, he won the wonderful result of obtaining an absolutely stable majority of which no one had dreamed. I think he established a great fundamental condition needed for stability in Japan. Moreover, we won a sweeping victory in each district of the 44 prefectures in the unified local elections this spring. Because of this, the LDP has became a very strong organization. I even think that the sweeping victories in these two elections are the LDP's greatest achievement in the 35-year history since its establishment.

[MAINICHI SHIMBUN] Former Prime Minister Nakasone and others are insisting that the Kaifu government is sort of a tentative government and that a person with power should form a full-scale government. Can you comment on this?

[Komoto] Although they say that a person with power should run the government, there is no proof as to whether such a person is in fact capable of doing such a thing. We cannot tell unless such a person actually tries. However, over the past two years, the Kaifu cabinet has achieved major results, including its sweeping victories in elections. We should candidly assess these achievements. A path has been cleared regarding the issues that stand between the Japanese and Soviet governments. The Kaifu cabinet has achieved actual results that suit a full-scale government. I think that criticism and remarks saying "I can do it" are a bit too much. I think we should distinguish between those who have achieved actual results and those who have not.

[MAINICHI SHIMBUN] What do you think is the No. 1 task of a new government?

[Komoto] Restoration of the people's trust in politics. In other words, I think that, for the time being, the major tasks are political reform, which will harden the foundation of democratic politics, and reconsolidation of the foundation of the free economy, where cracks are beginning to appear in the wake of the securities and financial scandals. The territorial issue, which remains as an unsettled matter from World War II, and finishing up the international contribution measures stemming from the Middle East issue, also are urgent tasks.

[MAINICHI SHIMBUN] Do you think that a person, other than Prime Minister Kaifu, will be acceptable to you as a next LDP president as long as he can tackle the four tasks?

[Komoto] The person must be capable of accomplishing the tasks and of coordinating. We still have to see a record of that person's achievement.

[MAINICHI SHIMBUN] It seems that Messrs Mitsuzuka, Miyazawa, and Watanabe will run in the election because they hold to the position that Prime Minister Kaifu is not good. How do you assess them, assuming that these three people will take political power?

[Komoto] I think they are fine people and they will be able to achieve results in their own ways. However, it is a prediction of the future. None of them has served as prime minister, so I cannot say any more than that. A qualification for a full-scale government depends on how a leader will accomplish the tasks. A person, because he is a factional leader, is not necessarily capable of accomplishing the tasks.

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Japan

Need To Decide on Rice Imports Ban Stressed

OW2009115991 Tokyo KYODO in English 1116 GMT 20 Sep 91

[Text] Tokyo, Sept. 20 (KYODO)—A top-ranking Japanese trade official said Japan needs to make "a political decision" on its ban on rice imports, however painful, to bring stalled global trade talks to a successful conclusion.

"If the Uruguay Round (of multilateral trade) talks fail, Japan, without doubt, will be isolated from the international community," said the Ministry of International Trade and Industry (MITI) official.

The official, who requested anonymity, reminded reporters Japan is the biggest beneficiary of free trade.

Fresh from a weeklong tour of the United States and Europe for bilateral and multilateral trade talks, the MITI official also said other major trading nations are more determined than people think to conclude the round by the end of the year.

The five-year round, sponsored by the General Agreement on Tariffs and Trade (GATT), has been at an impasse since last December's ministerial meeting failed to iron out the gap between Washington and Brussels over politically sensitive farm trade.

The official said the U.S. and the European Community [EC] still appeared split over agricultural reform, as the integration of the former East Germany into the 12-member trading bloc compounded the EC's difficulties in pressing ahead with the issue.

However, he said the possibility lingers that the EC and the U.S. might abruptly close ranks, since "blood is thicker than water."

If they do, he said, it would be unforgivable for Japan to sit on its hands.

Airport Denies Contract Award to U.S. Firm

OW2009065891 Tokyo KYODO in English 0600 GMT 20 Sep 91

[Text] Tokyo, Sept. 20 KYODO—Kansai International Airport Co. denied Friday a news report that it had awarded a 745 million yen contract to a U.S. electrical equipment maker.

The U.S. maker Square D Co. announced in Washington Thursday that it had received an order to supply equipment for the new Kansai International Airport project.

A Kansai International official said the company had not yet made a final decision on the award.

Square D and Kinden Corp., Japan's No. 2 electrical engineering firm, made a bid to supply high-voltage power transmission equipment to be used for passenger terminals.

Doubts Voiced on U.S. Ban on Drift Nets Fish

OW1909090591 Tokyo KYODO in English 0856 GMT 19 Sep 91

[Text] Tokyo, Sept. 19 KYODO—Japanese officials expressed dissatisfaction Thursday over U.S. plans for an import embargo on fish from Japan and other countries who do not comply with a United Nations resolution calling for a ban on drift net fishing.

The officials of the Agriculture, Forestry, and Fisheries Ministry, commenting on reports from Washington on the proposed ban, doubted if it would constitute import restrictions sanctioned as an exception under the General Agreement on Tariffs and Trade (GATT).

They said Japan will try to explain its position to the United States.

Japan has said the recent U.N. resolution calling for a ban on drift net fishing by the end of next June would apply only to cases where protection of marine resources becomes impossible.

The United States has been urging the United Nations to impose a total ban on drift net fishing, known as the "wall of death", on grounds it destroys marine life indiscriminately and cruelly.

The reports from Washington said the ban would apply to all fish imports from Japan, Taiwan, South Korea, North Korea, and France on or after July 1, 1992, unless they specifically prove that the fish were not caught in drift nets.

The U.S. Senate last month approved legislation that would ban on fish imports from Japan, South Korea, and Taiwan unless the countries obey the U.N. resolution.

Kondo Pessimistic on Changing Ban

OW2009051991 Tokyo KYODO in English 0414 GMT 20 Sep 91

[Text] Tokyo, Sept. 20 KYODO—Agriculture, Forestry and Fisheries Minister Motoji Kondo said Friday it would be next to impossible for Japan to have the United Nations revoke its resolution imposing a total ban on drift-net fishing starting next July.

Kondo made the remark in commenting on a U.S. announcement Thursday that Washington will restrict fish imports from nations failing to comply with the resolution.

The United Nations has passed the resolution calling for a total ban on drift-net fishing by the end of June next year.

The decisions by the United Nations and Washington followed mounting criticism against drift-net fishing, known as the "wall of death" method which traps marine life indiscriminately and depletes fish resources.

Reports from Washington said the U.S. decision will apply to all fish imports from Japan, Taiwan, South and North Korea, and France—the major countries which now engage in drift-net fishing.

Kondo said the government is considering ways for experts to reach a negotiated settlement under which the countries concerned will be allowed to continue drift-net fishing while taking measures for the preservation of marine resources.

Okinawa Fails To Discuss Compulsory Land Use

OW1909140991 Naha OKINAWA TIMES in Japanese 19 Sep 91 Morning Edition p 2

[Text] The Land Expropriation Committee [LEC] of Okinawa Prefecture (with Yasuhiro Gibo as chairman) held the second open hearing concerning the compulsory use of land for U.S. military bases, at Urasoe Civic Hall on the afternoon of 18 September. Attending were about 280 people, including auditors and landowners who refuse to sign the "provisional lease contracts" with the Japanese Government in and after May 1992. Before the deliberations, the LEC first listened to the views of the landowners. Meanwhile, the LEC tried to let the Naha Defense Facilities Administration Bureau [DFAB], the initiator of the compulsory use of land, state the reason why it had applied for the compulsory use of land. However, because of poor handling of the procedures, the DFAB was unable to make a statement. Thus, just like the last hearing, it ended without entering into actual deliberations. The landowners demanded that "the LEC should start the deliberations after fully listening to us from the standpoint of protecting our rights." However, since Chairman Gibo's answers remained evasive, arguements went around in circles, and the LEC failed to start deliberations. Therefore, the LEC decided to postpone actual deliberations till the next hearing (on or after 17 October).

The second deliberations were originally scheduled at 1400 but were postponed an hour at the landowners' request for recess.

At the outset, Chairman Gibo declared: "We will first hear from the DFAB for their reason in applying for the compulsory use of land." However, the landowners demanded that deliberations should start after their questioning of the LEC. Thus, the meeting was carried on under the landowners' initiative.

Since some Naha city-owned land is still under compulsory use, a deputy attended the meeting on behalf of the city government. Submitting a document in the name of Naha Mayor Kosei Oyadomari, this deputy requested that four LEC members, who were involved in the past decision on the compulsory use of land, should be excluded from the committee. He insisted that since this is a case in which deliberations will be held on the use of the same landlots owned by the same people for the same purpose, "these four members should voluntarily refrain from attending the meeting so that fair discussions will be guaranteed." However, Mr. Gibo rejected the request and said: "We have no intention of excluding them."

Moreover, in arguing that "the LEC has no authority to accept the application, to deliberate the case, or to pass a decision on it," the landowner group asked for the LEC's explanation for the law. In response, Mr. Gibo concluded that "the LEC has the authority to deliberate," but failed to indicate any concrete grounds.

During the arguement, Mr. Gibo failed to give consistent answers to the landowners' questions. Moreover, as he tried repeatedly to interrupt landowners' statement on their opinions so as to listen to the DFAB side's view, the hearing ended up becoming very confused. The DFAB officials tried to leave their seats three times but were persuaded to stay by the chairman. As a result, the DFAB failed to make any statement on the reason for applying for the compulsory use of the land, and the hearing ended a little past 1700 without entering into any substantial deliberations.

DPRK Said Developing Improved Scud Missile

OW2009104891 Tokyo KYODO in English 1003 GMT 20 Sep 91

[Text] Tokyo, Sept. 20 (KYODO)—North Korea is developing a new type of surface-to-surface missile which has a range of some 900 kilometers, international military sources here said Friday.

The development of the new missile, code-named "Labor 1," will be completed in 1992 at the earliest, the sources said.

When the missile is deployed in North Korea, the Kyoto and Osaka areas in Japan would be within its range.

An experimental missile was launched from a place some 100 kilometers north of Pyongyang in June last year and fell in the Sea of Japan, the sources said.

North Korea began domestic development of missiles in 1979.

The country succeeded in producing the Scud B missile in 1987 with the introduction of technology from Egypt, the sources said. The Scud B has a range of more than 300 kilometers.

Pyongyang finished development of the Scud C missile in 1986- 1989. An improved version of the Scud B, the Scud C has a range of some 600 kilometers.

The Scud C's range is almost the same as Iraq's al-Husayn missile, but its precision is greater with the help of integrated circuits smuggled from Japan, the sources said.

North Korea has exported 90 to 100 units of Scud B missiles to Iran. The sources said it has been confirmed that 20 Scud C missiles were delivered to Syria this year from Pyongyang.

Libya and Iran have concluded contracts with North Korea to import Scud C missiles, they said.

South Korean Politician Kim Young-sam Visits

Views DPRK Nuclear Inspection

OW1909120091 Tokyo KYODO in English 1150 GMT 19 Sep 91

[Text] Tokyo, Sept. 19 KYODO—Kim Young Sam, co-leader of South Korea's ruling Democratic Liberal Party, said on Thursday that North Korea should accept international inspection by the International Atomic Energy Agency (IAEA) before bilateral political talks can proceed.

Kim made the remark in separate meetings with Democratic Socialist Party Chairman Keigo Ouchi and Komeito Chairman Koshiro Ishida.

North Korea signed the Nuclear Nonproliferation Treaty in 1985, but said it would accept an agency inspection team only if U.S. nuclear weapons are withdrawn from South Korea.

Kim said it is very important for the two Koreas to engage in confidence-building measures.

He said South and North Korea should increase sports exchanges and open the door to allow the reunion of families separated in both countries since the 1950-53 Korean War.

Following a meeting with Ouchi, Kim met Ishida and told him that South Korea is taking a gradual approach to normalizing relations with China.

Kim complained about reports that South Korea will allegedly hastily proceed with normalization of relations with China.

Ishida said he will visit China next month and will request Beijing to promote political dialogue with South Korea.

Kim leads a South Korean delegation which arrived in Japan on Wednesday for a four-day visit before heading to the United Nations.

Urges SDP To Help Smooth Relations

OW2009092591 Tokyo KYODO in English 0854 GMT 20 Sep 91

[Text] Tokyo, Sept. 20 (KYODO)—Kim Yong-sam, co-leader of South Korea's ruling Democratic Liberal Party [DLP], called on the Social Democratic Party (SDP) on Friday to help South and North Korea smooth out the obstacles lying between them.

Kim made the call with the SDP's close ties with North Korea in mind, during a one-hour meeting with the leader of Japan's largest opposition party, Makoto Tanabe, in a Tokyo hotel.

The South Korean leader said he expects the SDP to step up closer relations with South Korea, and hopefully forge better understanding between the two Koreas.

Tanabe replied that the SDP will make every effort to help Seoul and Pyongyang hold closer exchanges.

The SDP has traditionally held friendly relations with North Korea since the country's formation in 1955.

The SDP did not recognize the Japan-South Korea basic treaty when Japan ratified it with South Korea in 1965 to normalize their relations.

The SDP party eventually recognized the treaty, in principle, and shifted to a more balanced policy regarding relations with the two Koreas.

Kim and his South Korean delegation arrived in Japan on Thursday for a four-day visit on their way to the United Nations, where South Korean President No Tae-u will make a speech regarding the two Koreas recent admittance into the U.N.

Kumagai Receives Order From Chinese Province

OW2009011991 Tokyo KYODO in English 0044 GMT 20 Sep 91

[Text] Tokyo, Sept. 20 KYODO—Kumagai Gumi Co. has been awarded by the Hainan Provincial Government in southern China a contract to construct infrastructural projects, a leading industrial daily reported Friday.

The Hainan Provincial Government has commissioned Kumagai via the firm's Hong Kong subsidiary to undertake building of ports, roads, and power plants in the province on Hainan Island, the NIHON KOGYO SHIMBUN said.

The value of the contract has not been disclosed, the daily said.

Kumagai's Hong Kong subsidiary had previously concluded a contract with the Chinese central government to rent out a tract of land totaling 30 square kilometers for 70 years in the Yangpu Port area in western Hainan.

The latest comprehensive development project will cover an area of land totaling some 150 square kilometers, which will include the 30 square kilometer tract of land rented to Kumagai.

Nakayama Expresses Willingness To Visit USSR

OW2009141991 Tokyo KYODO in English 1352 GMT 20 Sep 91

[Text] Tokyo, Sept. 20 (KYODO)—Foreign Minister Taro Nakayama on Friday expressed willingness to visit the Soviet Union to seek breakthroughs in pending bilateral issues such as the territorial dispute and economic assistance.

Nakayama told reporters on the eve of his departure for the United Nations that it is possible the Soviet Union will invite him to visit Moscow, possibly in October, when he meets Soviet Foreign Minister Boris Pankin in New York.

Nakayama will leave for New York on Saturday to attend the U.N. General Assembly session.

He said Japan will consider whatever proposals are put forward to solve the territorial dispute, issues surrounding aid to the Soviet Union and visa-free exchanges with the four northern islands off Hokkaido—Etorofu, Shikotan, Kunashiri and the Habomai Group—when he visits Moscow.

On his upcoming talks with Pankin in New York, the first foreign ministers' discussions since the abortive coup in Moscow, Nakayama said he hopes to exchange "frank opinions" on steps to push Japan- Soviet relations forward.

He is expected to express Japan's support for Soviet reform and reconfirm the agreement spelled out in April's joint statement between the two nations to accelerate negotiations for conclusion of a Japan-Soviet peace treaty.

He will also urge Pankin to settle the Japan-Soviet territorial dispute as soon as possible.

Touching on assistance to the Soviet Union, Nakayama said Japan should, as a neighboring country, extend technical assistance to help that country shift to a new economic system and provide humanitarian support for the upcoming winter.

However, the Japanese foreign minister said the actual scale of aid will be discussed after a fact-finding mission on Soviet Far East food and medical conditions returns to Japan on September 30.

Assistance to the Soviet Union is likely to be the focal issue of a forthcoming meeting of foreign ministers of the seven industrialized nations (G-7).

In a speech to the General Assembly session on September 24 Nakayama is expected to call for the creation of a U.N. registry covering all international trade in conventional weapons in keeping with the organization's peacekeeping role.

He will also hold separate meetings with U.S. Secretary of State James Baker, Chinese Foreign Minister Qian Qichen and South Korean Foreign Minister Yi Sang-ok.

In his talks with Baker, Nakayama is expected to make arrangements for U.S. President George Bush's scheduled visit to Japan in November.

He will also meet Prince Norodom Sihanouk, chairman of the Cambodian Supreme National Council, and other Asian and African leaders to seek support for Japan's bid to become a nonpermanent member of the U.N. Security Council.

Emperor Holds 20 Sep News Conference on Trip

OW2009125591 Tokyo KYODO in English 1228 GMT 20 Sep 91

[Text] Tokyo, Sept. 20 (KYODO)—Emperor Akihito, scheduled to leave for a Southeast Asian tour next week, said Friday he wants to tell the people of the region that the Japanese people cherish peace.

Emperor Akihito and Empress Michiko will make an 11-day tour of Thailand, Malaysia and Indonesia from September 26 to October 6.

The Emperor told a news conference that he would make efforts to inform the Southeast Asian people of the Japanese people's hopes to deepen friendship with them.

The imperial couple will depart for Bangkok on their first overseas trip since ascending to the throne in January 1989.

The visit will also be the first Asian tour by a reigning Japanese emperor.

The Emperor said he hopes that relations of mutual trust between Japan and Southeast Asian nations will strengthen as a result of his visit.

Japan has looked back on World War II and is determined to live as a peace-loving nation, he said.

The Emperor expressed hope that the Southeast Asian people will understand Japan's position, its hopes for world peace, and its efforts to contribute to the international community with Southeast Asian nations.

Empress Michiko, asked of the royal family's role in the international community, said she thinks it is important to pay attention and watch people working in various professions and to provide them with intellectual support.

Emperor Akihito said the government is studying possible imperial visits to China and South Korea, and he hopes to make efforts to promote friendship if he has a chance to visit the two countries.

During and before World War II, Japan established the state of Manchuria in northeastern China and ruled the whole of Korean peninsula.

Tokyo To Name Imagawa Envoy to Cambodia SNC

OW2009012191 Tokyo KYODO in English 0011 GMT 20 Sep 91

[Text] Tokyo, Sept. 20 KYODO—Japan will appoint Yukio Imagawa, minister at the Japanese Embassy in

Bangkok, as the first ambassador to Cambodia's interim Supreme National Council (SNC), Foreign Ministry sources said Thursday night.

Foreign Minister Taro Nakayama will meet SNC head Prince Norodom Sihanouk in New York next Monday and tell him of the appointment of the Japanese ambassador, the sources said.

In August, Japan informed Sihanouk that Japan will dispatch an ambassador-level representative to Phnom Penh once the SNC establishes its headquarters there in November.

Japan will send two diplomats to Phnom Penh in October as an advance party prior to the new ambassador's departure.

Mitsui To Provide Intellectual Aid to SRV

OW2009012291 Tokyo KYODO in English 0012 GMT 20 Sep 91

[Text] Tokyo, Sept. 20 KYODO—Mitsui and Co. has reached an agreement with the Vietnamese Government to provide intellectual assistance to support economic reforms in Vietnam, an industrial daily reported Friday.

Under the agreement, Mitsui will supply wide-ranging technical know-how on matters ranging from planning infrastructure to expanding trade, the NIHON KOGYO SHIMBUN said.

Mitsui will also receive two Vietnamese trainees a year as part of its effort to assist Vietnam's efforts to shift to a market economy, the paper said.

Mitsui will be the first Japanese company to give comprehensive intellectual support to Vietnam, it said.

Peacekeeping Force Bill Submitted to Diet

OW1909032991 Tokyo KYODO in English 0315 GMT 19 Sep 91

[Text] Tokyo, Sept. 19 KYODO—The government of Prime Minister Toshiki Kaifu on Thursday presented to the Diet a bill that would allow armed Japanese Self-Defense Forces (SDF) personnel to participate in United Nations peacekeeping operations.

The government also submitted to the House of Representatives another bill to revise a law on dispatching emergency assistance teams overseas. Both bills had been approved by the cabinet at a special meeting earlier in the day.

The bill on peacekeeping operations would limit participation to 2,000 personnel in order to minimize Japan's exposure to overseas conflicts, and would bar unarmed Japanese civilians from joining peacekeeping forces or in ceasefire operations.

SDF personnel would be armed in accordance with guidance from the U.N. secretary general, but as head of Japan's International Peace Cooperation Program, the Japanese prime minister can draw up supplementary guidelines.

Political analysts said the bills are likely to be shelved in the current parliamentary session because the No. 1 opposition Social Democratic Party may object to them. The session is due to end October 4.

Opposition Parties Seek Revisions

OW1909073591 Tokyo KYODO in English 0643 GMT 19 Sep 91

[Text] Tokyo, Sept. 19 KYODO—A government bill submitted to the Diet on Thursday to empower Japan to send its military servicemen overseas sparked calls among opposition parties for a variety of changes.

The top opposition Social Democratic Party denounced any dispatch of Self-Defense Forces (SDF) personnel as trampling on the spirit of the Japanese Constitution.

Japan's Constitution bans the use of force as a means of settling international disputes.

As a counterproposal, the party vowed to come up with its own bill defining the permissible scope of the country's international peacekeeping activities.

It said the proposal would be aimed at bolstering the welfare of the world community, through such avenues as sending noncombatant personnel to disaster-stricken areas.

The second-largest opposition Komeito said it will put forward its arguments during upcoming Diet debate, adding it has no objections to the debate itself.

The Japanese Communist Party [word indistinct] the bill for aiming to bring about a "virtual revision of the Constitution" by applying too loose an interpretation of the constitutional ban.

The Democratic Socialist Party demanded that the government incorporate a clause subjecting the dispatch of military personnel to parliamentary endorsement.

Government Seeks Public Support

OW1909062591 Tokyo KYODO in English 0600 GMT 19 Sep 91

[Text] Tokyo, Sept. 19 KYODO—Chief Cabinet Secretary Misoji Sakamoto appealed for public support Thursday for a bill to allow Japanese military personnel to participate in U.N. peacekeeping operations. He also said the government wants the bill to become law in time for Japan to contribute to peacekeeping operations in Cambodia.

Sakamoto, speaking to reporters after the bill received approval from a special session of the cabinet, also sought to head off criticism that the bill might violate Japan's "peace" Constitution.

Citing restrictions that use of weapons be "minimal" and a requirement that any personnel from Japan's Self-Defense Forces (SDF) be withdrawn if a ceasefire broke down, Sakamoto asserted that the bill is consistent with the Constitution.

In a seminar of the ruling Liberal Democratic Party, Prime Minister Toshiki Kaifu also appealed for public support of the bill, stressing the need of Japan's international cooperation.

Japan's postwar Constitution bans the use of force to resolve international conflict, and this is certain to be raised in parliamentary debate, expected to get under way next week.

If it becomes law, the bill would permit the first overseas deployment of armed Japanese troops since World War II. Minesweepers from the Maritime Self-Defense Force recently helped clear the Persian Gulf of mines laid by Iraq following last year's invasion of Kuwait.

The bill, worked out in cooperation with the centrist opposition parties Komeito and the Democratic Socialist Party, was submitted to the Diet later in the day.

It is accompanied by another bill revising the international emergency relief law to allow the SDF to go abroad to assist in relief operations following natural disasters.

Sakamoto said the bill on the peacekeeping force reflects a consensus in Japan that the nation should contribute personnel—as well as funds—to help preserve international peace.

He also cited the international efforts in the Persian Gulf war, the winding down of the cold war, and the growing importance of the United Nations as important considerations in drawing up the legislation.

Prime Minister Kaifu last fall proposed a bill that would have allowed Japan's SDF to support the multinational forces in the Gulf region, but the legislation was killed after it ran into stiff resistance from opposition parties.

The ruling Liberal Democratic Party and centrist opposition parties agreed at the time to draw up an alternative bill.

Seeking to allay fears in Asia that such participation could signal Japan's resurgence as a military power, Sakamoto said that the peacekeeping activities are "nothing to worry about."

"After all the U.N. peacekeeping forces have been internationally commended as an army that does not fight," he said in response to a reporter's question.

Sakamoto said Japan would continue informing other countries in Asia about the bill via diplomatic channels. He said Japan would like to offer as much assistance as possible if it is requested by Cambodian authorities to join in U.N. peacekeeping operations there once they are launched.

Cambodian Prince Norodom Sihanouk has said Japanese troops would be welcome as members of a U.N. peacekeeping team. The four warring factions are to meet in Paris on October 31 to iron out remaining differences and end their 12-year civil war.

Deputy Chief Cabinet Secretary Nobuo Ishihara, addressing reporters after Sakamoto, said however that it is unlikely that Japan would be able to train troops in time for duty in Cambodia.

Should the bill be passed into law, Ishihara said it would take a "substantial period" of time before the peacekeeping troops would be ready for deployment.

He declined to estimate how long Japan would need to send commanders for training in Sweden and other industrialized countries, and then train their subordinates at home.

Ishihara said the restrictions spelled out in the bill are not expected to have a substantial impact on Japanese participation in U.N. operations.

He said Japanese forces would be required to withdraw in cases such as in the Congo in the early 1960s, where the U.N. peacekeeping troops were authorized to use military force to quell hostilities, but he said such cases are rare.

Japanese operations will be interrupted during the duration of any unrest, and forces are to be withdrawn in case hostilities break out and peace cannot be restored in a "short period," he said.

Japanese forces might be more lightly armed than soldiers participating from other countries, Ishihara said.

The bill sets the maximum number of military personnel that can be sent overseas at 2,000. Ishihara said the size was set based on experience of other countries that have actively contributed to U.N. peacekeeping operations.

The bill also requires the prime minister to report to the Diet on deciding to dispatch the team, at the end of operations, and in case there is a change in the expected length of operations.

The prime minister would head an international peace cooperation headquarters that would have the authority to order the withdrawal of Japanese personnel if it was felt to be appropriate.

Chamber of Commerce Supports Bill

OW1909024991 Tokyo KYODO in English 0236 GMT 19 Sep 91

[Text] Tokyo, Sept. 19 KYODO—Rokuro Ishikawa, chairman of the Japan Chamber of Commerce and

Industry, said Thursday a government-proposed legislation bill allowing Japanese participation in U.N. Peacekeeping Operations [PKO] should be passed through the Diet promptly.

Ishikawa said at the chamber's regular general meeting, "Japan should change its attitude of pursuing only its own economic prosperity, and that of sticking to the principle of keeping peace in one country."

"It is essential for Japan to take an active part in U.N. peacekeeping operations and contribute to global peace and security," he said.

Referring to differing attitudes in Japan toward the introduction of a product liability system, Ishikawa was opposed, saying, "It might have a considerable effect on small- and medium-sized companies and could diminish economic energy."

He also called for another cut in the central bank's official discount rate, saying that uncertainty is growing over the future prosperity of small- and medium-sized companies.

Keizo Obuchi, secretary general of the ruling Liberal Democratic Party, hinted at the necessity of another cut in the official discount rate, saying that it is necessary for financial authorities to take positive actions to support the nation's economy.

"Taking into account the business trend of small- and medium- sized companies, it is time to give full consideration to the current interest rate level and limits on loans by financial institutions," Obuchi said.

The Bank of Japan cut the key bank lending rate by 0.5 percentage point to 5.5 percent last July 1.

ROK's Kim Young-sam 'Understands'

OW1909094191 Tokyo KYODO in English 0930 GMT 19 Sep 91

[Text] Tokyo, Sept. 19 KYODO—Kim Young Sam, co-leader of South Korea's Ruling Democratic Liberal Party, said here Thursday he understands the reasoning behind proposed legislation to dispatch Japanese Self-Defense Forces personnel overseas on peacekeeping and disaster relief missions.

In talks with former Prime Minister Noboru Takeshita, Keizo Obuchi, secretary general of the ruling Liberal Democratic Party, and other Japanese leaders, Kim said some South Koreans are wary of the legislation.

Japanese officials said Kim made the remarks shortly after the government submitted two bills on peacekeeping operations to the Diet.

Obuchi sought South Korea's understanding of Japanese preparedness to make contributions to the cause of international peace and stability, the officials said after the meeting.

Kim told Takeshita, who is chairman of the Japanese-South Korean Parliamentarians' League, and the other leaders Seoul appreciates Japan's suppport for the entry of South and North Korea to the United Nations.

A Japanese official quoted Kim as describing U.N. membership for both Koreas as an important event which could lead to reunification.

NTT Studying Participation in British Venture

OW2009055091 Tokyo KYODO in English 0448 GMT 20 Sep 91

[Text] Tokyo, Sept. 20 KYODO—Nippon Telegraph and Telephone Corp. (NTT) said Friday it is studying an invitation from British Telecom to participate in a newly formed international telecommunications company.

Masashi Kojima, president of the giant domestic telecommunications company, told reporters that no domestic laws prohibit NTT from engaging in overseas operations.

Company officials, however, said NTT would need to obtain the consent of the Ministry of Posts and Telecommunications, which supervises domestic and overseas telecommunications services.

British Telecom, Britain's leading telecommunications company, announced Thursday it has established an international company, Syncordia, in the United States to provide telecommunications services to multinational enterprises.

The new firm, based in Atlanta, Georgia, will offer customers telecommunications circuits for transmission of data and image and voice information in five languages, including Japanese, the British company said.

Industry sources said it would take some time for NTT to make a decision on the invitation.

Park

Report on World War II Germ Warfare Denied

OW2009081591 Tokyo KYODO in English 0759 GMT 20 Sep 91

[Text] Tokyo, Sept. 20 KYODO—The Foreign Ministry on Friday denied a media report that a secret biological warfare laboratory run by unit 731 of the Japanese Imperial Army was operating in Singapore during World War II.

Spokesman Taizo Watanabe told foreign correspondents that according to documents in the possession of the government, "this particular corps, which is referred to as 731, was not existing in Singapore at that time."

Asked if there was a germ warfare laboratory of any kind in Singapore, Watanabe replied, "we don't have any record."

Singapore [words indistinct] a cabinet minister from 1963-1977, revealed that as a boy he worked for two years as an assistant in what he now believes to have been a germ warfare laboratory.

The newspaper said that the laboratory name, "Oka 9420 Butai", was believed to be a code name for the Singapore branch of unit 731.

Unit 731, whose existence was revealed only in the early 1980s, was headquartered in the Manchurian city of Harbin with branches in the Chinese cities of Guangzhou, Beijing, and Nanjing.

The TIMES said Othman's remarks appeared to be the first concrete evidence connecting Unit 731 with Singapore.

Kanemaru Faction Undecided on Backing Kaifu

OW2009130891 Tokyo KYODO in English 1245 GMT 20 Sep 91

[Text] Tokyo, Sept. 20 (KYODO)—The ruling Liberal Democratic Party's [LDP] largest power bloc is yet to decide whether to field its own candidate or back one from another group in next month's party presidential election, a senior member of the faction said Friday.

Keiwa Okuda, who acts as chief of staff for LDP power brokers Shin Kanemaru and Noboru Takeshita, gave no indication of whether the faction would endorse Prime Minister Toshiki Kaifu to stay in power beyond October.

In an interview with KYODO news service, Okuda said it is difficult to decide on one substantial figure from among the 106-member faction, founded by Takeshita and currently led by Kanemaru.

The course and outcome of the LDP presidential election, set for October 27, is heavily dependent on who the Takeshita faction, the biggest among the five intraparty blocs, will support, political sources said.

Takeshita, who stepped down as prime minister in June 1989 because of the recruit stocks-for-favor scandal, and his political mentor Kanemaru have yielded enormous clout behind the scenes in the past few years because of their overwhelming factional strength.

Takeshita was instrumental in bringing Kaifu, a member of the fifth and smallest faction, to power in August 1989.

The LDP presidency carries with it the post of prime minister by virtue of the party's stable majority in the powerful House of Representatives.

Okuda said two of the Takeshita faction's influential figures—Finance Minister Ryutaro Hashimoto and former LDP Secretary General Ichiro Ozawa—both have factors impeding them from running.

Ozawa, who left hospital last month after a 42-day stay because of chest pains, must concentrate on recovering his health while Hashimoto has admitted responsibility for his former private secretary's involvement in a loan fraud scandal, Okuda said.

He added Takeshita does not intend to run.

The election campaign will begin October 17 with the balloting date set for October 27.

If two or more candidates run, votes will be garnered from the party's 394 Diet members and an estimated 1.7 million rank-and-file party members eligible to cast a ballot. The combined rank-and-file ballots equal 107 votes.

If no one can seize a majority, there will be a runoff election among the Diet members only, according to party rules.

So far, only former Finance Minister Kiichi Miyazawa, head of the No. 3 faction, has declared his intention of running.

Hiroshi Mitsuzuka and Michio Watanabe, heads of the No. 2 and No. 4 factions respectively, are reported to be declaring their position in early October.

Kaifu, whose two-year term as LDP president expires October 30, is yet to officially indicate whether he will seek reelection.

Police: Radicals Planned Attacks on Officials

OW1909100491 Tokyo KYODO in English 0934 GMT 19 Sep 91

[Text] Otsu, Sept. 19 KYODO—Radicals in western Japan planned 30 attacks in the coming year against Japanese authorities, including National Public Safety Commission Chairman Akira Fukida, police in Shiga and Kyoto Prefectures said Thursday.

Based on analysis of some 200 articles seized from the apartment of a Chukakuha (middle core faction) leader last week, investigators were able to learn of attacks planned against Diet members and police authorities to protest the emperor system in Japan, the Self-Defense Forces, and the construction of a new Kansai airport, the police said.

Chukakuha attacks often involve the firebombing of government or business officials' cars or homes in the early morning or the launching of crude missiles against targets.

Some of the planned attacks, scattered throughout the year, were apparently soon to be carried out, analysis of the Chukakuha articles showed, the police said.

On September 13, authorities raided the apartment of a Chukakuha leader, Toshiaki Hashimoto, 48, in Ishibe, Shiga Prefecture and confiscated memos written on water soluble paper, a word processor, and floppy disks from the apartment for their investigation.

Keidanren Proposes Code of Ethics for Companies

OW2009120691 Tokyo KYODO in English 1131 GMT 20 Sep 91

[Text] Tokyo, Sept. 20 KYODO—The Federation of Economic Organizations (Keidanren) on Friday announced a proposed code of ethics for companies, calling on them not to engage in antisocial behavior.

The code is intended to prevent a recurrence of a recent series of scandals involving the Japanese securities and banking industries.

The top Japanese business organization is expected to officially adopt the document at a meeting of its directors next week.

In the financial scandals, large brokerages have admitted compensating favored clients for marketing losses, and Nomura and Nikko securities companies have been linked with mobsters. Fuji Bank and other financial institutions have been implicated in financial irregularities.

The proposed document, announced by Keidanren Chairman Gaishi Hiraiwa at a news conference, outlines 15 principles on companies' social responsibilities and observation of rules, as well as the top management's responsibilities.

The code calls on companies to refrain from dealing with antisocial organizations (such as organized crime syndicates), to take responsibility for their own affairs without depending on the government, and to tighten in-house inspections of company activities.

Hiraiwa told reporters that the top management should have greater awareness of business ethics and must try to establish a corporate culture that will prevent a recurrence of the scandals.

He also said the common practice of retired government officials taking up posts with companies should be discouraged, since it would lead to business being dependent on the government.

The proposed code of ethics, in a preamble, noted that the top management of companies and industry groups should try to ensure that companies and industry understand the spirit of the code.

Opposition Attacks Bill on Stock Market Abuses

OW2009141491 Tokyo KYODO in English 1253 GMT 20 Sep 91

[Text] Tokyo. sept. 20 (KYODO)—A government-proposed bill to curb stock market abuses came under fire Friday from opposition parties, which claimed it does not go far enough in penalizing controversial compensation by brokers of favored clients.

The allegations surfaced immediately after the government presented the amendment to the Securities and Exchange Law to a plenary session of the House of Representatives.

The bill was drafted in reaction to the recent stock scandal in which it was revealed that securities brokerages had long been reimbursing key customers for losses suffered in the course of securities trading, in contravention of existing securities rules and possibly with the tacit understanding of the Finance Ministry.

In pressing for passage, Finance Minister Ryutaro Hashimoto called on opposition parties to endorse the bill, saying it embodied what he called "substantial power to block loss covering."

In another defense of the bill, Prime Minister Toshiki Kaifu told the assembled parliamentarians, "we presented the bill as an emergency step to revive the confidence of both domestic and foreign investors in the Japanese stock market, while seeking to prevent the recurrence of the (stock trading) scandal."

However, opposition parties criticized the amendment's penalty clauses for being too soft on potential offenders, and the limited powers it confers for identifying offenders, due to inherent loopholes.

Social Democratic Party questioner Mayumi Utsunomiya denounced the proposed fines for being too small. The maximum fine is set at 1 million yen for brokers and 500,000 yen for a recipient investor.

Utsunomiya also rapped a rider clause for making it extremely difficult for investigators to prove that a particular investor received compensation.

The proposed amendment makes it mandatory to prove that a particular investor "demanded" reimbursement for stock-trading losses from brokers in order to incriminate the investor.

"The government has backpedaled from its initial proposal by incorporating a passage limiting the penalty to investors who demanded the loss-coverings," Utsunomiya said.

The Finance Ministry was earlier reported to be considering penalizing all recipients, whether they requested compensation or not.

Opposition parties and some economists have argued that brokerages would never cooperate with the authorities in incriminating their clients, although the authorities would have no recourse but to depend on them for evidence of such demands.

Hashimoto replied, "although brokerages carry the responsibility of setting normal share prices and of maintaining evenhandedness, investors do not. Therefore, it is not proper to oblige both brokers and investors to bear the same degree of responsibility."

"We judged it sufficient to penalize brokerages for setting distorted prices on the shares they sell (to favored clients)," Hashimoto said.

He was apparently referring to a widespread loss-covering tactic of selling securities, such as warrant bonds, at artificially low prices to favored institutional clients and later buying them back at inflated prices, enabling the clients to reap windfall profits from the price gap.

MITI, LDP Urge Official Discount Rate Cut

OW1909090691 Tokyo KYODO in English 0847 GMT 19 Sep 91

[Text] Tokyo, Sept. 19 KYODO—International Trade and Industry Vice Minister Yuji Tanahashi called Thursday for a "flexible monetary policy" to maintain Japan's economic growth.

Tanahashi, speaking to reporters, cited the decline of Japan's industrial output for two quarters in a row this year, languishing automobile production, housing starts, and machinery orders, implying that another cut in the official discount rate is necessary.

Japan's key rate, at which the Bank of Japan lends loans to banks, was lowered by a half percentage point to 5.5 percent per annum July 1.

Earlier in the day, Keizo Obuchi, secretary general of the ruling Liberal Democratic Party (LDP), also hinted at the necessity for a cut in the key lending rate, saying that monetary authorities should take "positive action" to back the country's economy.

"Taking into account the business trend of small- and medium-sized companies, it is time to give full consideration to the current interest rate level and limits on loans by financial institutions," he said.

Rokuro Ishikawa, chairman of the Japan Chamber of Commerce and Industry, reiterated Thursday his earlier statements urging lower interest rates.

He said a cut in the key lending rate is essential, as uncertainty is growing over the future prosperity of small- and medium-sized companies.

Business Urges Quick Cut in Discount Rate

OW1909152991 Tokyo KYODO in English 1435 GMT 19 Sep 91

[Text] Tokyo, Sept. 19 KYODO—Most Japanese business leaders Thursday called for a quick cut in the official discount rate by the Bank of Japan.

They noted a major slowdown in the nation's economic growth in the second quarter of the year announced earlier in the day.

Gaishi Hiraiwa, chairman of the Federation of Economic Organizations (Keidanren), indicated the need for an early cut in the nation's key interest rate now standing at 5.5 percent a year.

He gave the indication in a meeting with the officials of the Japanese Trade Union Confederation (Rengo).

The executive said it is feared that the Japanese economy may deteriorate fast. "It is important for the authorities not to err in taking timely action to cope with the situation," he said.

Hiroshi Saito, president of the Japan Iron and Steel Federation and also of Nippon Steel Corp., said Japan's steel production will slow down from October.

He said, "the time has come for the authorities to take necessary steps to keep business activity in good shape, including an easing of credit policy."

Saito's remark was seen as an indirect call for a prompt cut in the official discount rate.

Rokuro Ishikawa, chairman of the Japan Chamber of Commerce and Industry, said medium-size and small businesses generally forecast a deterioration in business conditions.

Yutaka Kume, president of Nissan Motor Co., said there should not be an excessively tight grip on credit.

Ryuichi Kato, chairman of Tokai Bank, said, "there are many businesses facing bankruptcy, and the situation is serious."

On the other hand, Takeshi Nagano, president of the Japan Federation of Employers' Associations, objected to an easing of credit because it is liable to stop land prices from falling.

Nagano is a notable exception among business leaders.

Trade Minister Nakao Urges Another Rate Cut

OW2009034691 Tokyo KYODO in English 0255 GMT 20 Sep 91

[Text] Tokyo, Sept. 20 KYODO—Minister of International Trade and Industry Eiichi Nakao said Friday the Japanese economy is weakening to a point where it needs a stimulus from lower interest rates.

"Frankly speaking, I am worried about the future of the economy," he told a press conference after a regular cabinet meeting.

"I want (the monetary authorities) to consider a cut in the official discount rate as one of the alternatives," he said.

Nakao said the economy may be more fragile than Thursday's government report on the second-quarter gross national product (GNP) showed.

"The data do not necessarily reflect the current state of the economy," he said, stressing the need for "flexible and appropriate" monetary engineering to prop up the economy.

The government reported Thursday that the country's GNP, total output in goods and services, grew by 0.5 percent in the April-June quarter from the previous three months, equivalent to an annual 2.0 percent growth rate.

The figures provided another sign of an economic slowdown, as compared with the annualized 11.2 percent expansion recorded in the preceding quarter.

Following the release of the figures, the business community and private-sector economists intensified their calls for a quick cut in the key lending rate, which was last lowered to 5.5 percent per annum from 6.0 percent July 1.

Keidanren Head Predicts Early Discount Rate Cut

OW2009063991 Tokyo KYODO in English 0547 GMT 20 Sep 91

[Text] Tokyo, Sept. 20 KYODO—The chairman of Japan's most powerful economic group said Friday the Bank of Japan is expected to lower the official discount rate in the near future.

"I don't think the discount rate cut will be in the distant future and I believe the Bank of Japan governor is weighing the timing for it," Gaishi Hiraiwa told a news conference.

The head of the Federation of Economic Organizations (Keidanren) said it is important that Governor Yasushi Mieno not miss the most opportune time for the cut.

The central bank slashed the key rate July 1 by 0.5 percentage point to 5.5 percent per annum, at which it lends loans to banks.

Hiraiwa said his prediction is not based on the assumption that the domestic economy is in bad shape but that the impact of the recent financial scandals on the economy has to be taken into account.

Finance Ministry To Continue Curb on Land Loans

OW1909014691 Tokyo KYODO in English 0120 GMT 19 Sep 91

[Text] Tokyo, Sept. 19 KYODO—The Ministry of Finance (MOF) is planning to continue limits on loans by financial institutions for real estate purchases for the October-December quarter to prevent a resurgence in land prices, according to ministry officials.

The extension of the restrictions on land loans through the October-December quarter will bring the period since the curbs were put in place to 21 months, the officials said Wednesday night.

The MOF first instructed financial institutions to keep growth of real estate lending below that for overall lending in April 1989 as an emergency measure to contain the spiral in land prices.

Lending for real estate during the April-June quarter of this year totaled 59,248.7 billion yen, according to the ministry's most recent survey.

The figure was down 0.2 percent from the preceding quarter and showed the first decline in a year.

Overall lending during the April-June term grew by 0.5 percent over the previous quarter.

MOF officials said they will continue the curbs because the effects of the restrictions are limited to Tokyo, Osaka, and other large urban areas, rather than regional areas where prices are still climbing.

They said another reason for maintaining the limits is that a removal of the curbs in the wake of the cut in Japan's official discount rate on July 1 would spur another resurgence in land prices.

"We still have to continue monitoring the effects of the (restrictions) for a while," said an official at the MOF's Banking Bureau.

BOJ Says Economy Growing at Slower Pace

OW2009105391 Tokyo KYODO in English 1019 GMT 20 Sep 91

[Text] Tokyo, Sept. 20 KYODO—Steady corporate investment and consumer spending fueled growth in Japan's economy in September, though the tempo slowed, the Bank of Japan [BOJ] reported Friday.

A monthly review of the domestic economy for September, released by the central bank, showed that corporate business performance remained at a high level despite signs of decline.

The report said the demand-supply situation was easing to some extent, but remained tight, owing mainly to the current labor shortage.

The central bank's judgment of the economic situation remained unchanged from August.

The report said domestic wholesale prices remained unchanged from August, although consumer prices gained due to rises in prices of fresh foods, rents, and services, indicating the central bank remains concerned about price movements.

The report cited 3.5 percent growth in sales at department stores in the Tokyo metropolitan area in August as a sign of steady consumer spending.

It said sales of sundry goods declined about 10 percent from the preceding month.

As for sluggish sales of passenger cars, the report said the consumer trend will remain unclear until after the introduction of new models scheduled for September and October.

The report said growth in corporate investment in plant and equipment also was steady while investment on public works projects was expanding.

Hashimoto Says Economic Expansion Still Firm

OW2009021591 Tokyo KYODO in English 0154 GMT 20 Sep 91

[Text] Tokyo, Sept. 20 KYODO—Finance Minister Ryutaro Hashimoto said Friday the backbone of the current economic expansion has not been broken yet.

Hashimoto told a press conference after a regular cabinet meeting that the economy is still in good shape, while it is gradually slowing down.

He made the remarks in response to a question about data released Thursday showing that the nation's gross national product (GNP) grew at annualized 2.0 percent in the April-June quarter.

Hashimoto said the GNP data shows that the pace of growth continued to slow but they also indicate that the economy is still on a firm footing.

Says Land Prices Still Too High

OW2009034591 Tokyo KYODO in English 0244 GMT 20 Sep 91

[Text] Tokyo, Sept. 20 KYODO—Finance Minister Ryutaro Hashimoto said Friday land prices are still flying at the stratospheric level and the reported declines in some regions do not justify an immediate easing of restrictions on bank lending to real estate businesses.

Hashimoto told a press conference after a regular cabinet meeting that the land prices throughout the nation announced Thursday by the National Land Agency do not point to a major downturn in the price trend.

He said land prices, while apparently peaking, are still at a level that does not allow the ministry to feel safe about lifting the current restrictions on bank lending to land-related businesses.

The Land Agency statistics showed land prices in the areas around large cities have slipped moderately.

Land prices in the Tokyo area fell 1.0 percent from a year earlier and those in the Osaka area dropped 15.3 percent.

But Hashimoto said he doubts that the 1.0 percent slide in the Tokyo area, where land prices skyrocketed in the late 1980s, means a real downturn in prices.

The government should not get excited either, he said, about the relatively large decline in the Osaka area, where the prices soared about 50 percent in the previous year.

Hashimoto called for effective measures to depress land prices other than the lending curb, which he termed an "emergency measure."

He emphasized that the government should not continue to rely on the lending restrictions as a cap on land prices.

Hashimoto stressed the importance of such measures as strong urban development plans and land-use plans designed to lower land prices.

Referring to the planned continuation of restrictions on loans for real estate, Construction Minister Yuji Otsuka said he has proposed to the Ministry of Finance that funds should be made available within the restrictions for selected real estate for which there is strong demand.

There is concern that supply of residential sites could be unstable and housing starts could further decline due to a sluggish real estate market, Otsuka said.

According to industry sources, the number of housing starts is likely to drop more than 60,000 below the target figure of 1,460,000 per year.

Taking the possibility of such a drop into consideration, loans should be selectively extended to businesses necessary to expansion of domestic demand, including ongoing projects, construction of houses, residential land development, and city area development, Otsuka said.

North Korea

Secretary Kim Yong-sun Statement on UN Entry

SK2009075491 Pyongyang Korean Central Broadcasting Network in Korean 0300 GMT 20 Sep 91

[Press statement by Kim Yong-sun, secretary of the Workers Party of Korea Central Committee, dated 20 September on the DPRK's UN entry]

[Text] The DPRK's entry into the United Nations was unanimously decided by the 46th UN General Assembly. The decision on our Republic's UN entry amid the consistent support and approval of UN member states once again demonstrates the Republic's proud dignity as an independent sovereign state and clearly manifests the support and consensus of the people of the world for our party's external policy which espouses the ideals of independence, peace, and friendship.

The peace-loving people of the world are warmly congratulating our people in connection with the decision on our Republic's UN entry. I am glad that with its entry into the United Nations, the DPRK will be able to develop friendly and cooperative relations with an even greater number of countries on the principle of independence, equality, and mutual benefit and to contribute more actively, together with them, to defending peace and security in the world.

As a member state of the United Nations, the Government of the Republic will respect the UN Charter, faithfully carry out its international duty, and fulfill its responsibility and role in carrying out the cause of building a free and peaceful new world in conformity with the aspirations and expectations of the progressive people of the world.

The decision on our Republic's UN entry now offers the possibility of resolving the unpleasant relations that have existed between us and the United Nations for over 40 years. From this view, our party and the Government of the Republic look forward to satisfactorily resolving this inheritance of the past in the interest of peace and security on the Korean peninsula and in conformity with the trend of the times and the demand of people of the world.

The UN Forces Command in the southern side of the Korean peninsula should be disbanded, all foreign troops should be withdrawn, and the Korean Armistice Agreement signed with the UN forces should be converted into a solid mechanism to guarantee peace.

In conformity with the conditions that brought forth our country's UN entry, the United States ought to properly and practically contribute to easing tensions on the Korean peninsula and to providing peaceful preconditions for reunification.

The separate entry today of the North and the South of Korea into the United Nations is a temporary measure; therefore, this should never lead to the perpetuation of division. Since the first day of its founding, our Republic has been fully qualified for UN membership and has hoped to enter the United Nations. However, under the particular situation in which the country is temporarily divided artificially, we have viewed the issue of the UN entry from the standpoint of fatherland reunification and made every sincere effort to resolve the issue for the benefit of its realization.

As is widely known, we consistently insisted that the North and South enter the United Nations as one, reunified Korea after the establishment of a confederal system and maintained the position that if the two sides are admitted to the United Nations before reunification, they are jointly represented at the United Nations with a single seat.

The process of UN admission has graphically laid bare for all to see which side of the Korean peninsula truly hopes for national reunification and which side pursues division.

Now that the North and South have become UN members, we believe that the two sides should explore a way to accelerate the reunification of Korea accordingly.

Our party and the Republic's Government will, as in the past, make every effort possible to realize national reunification by way of realizing a confederal system based on the three principles of independence, peaceful reunification, and great national unity.

The proposal on the confederal system based on one people and one state, two systems and two governments is the best method for the settlement of the reunification question, reflecting the specific conditions of our country.

Under conditions in which actually two different ideas and systems exist in the North and South, the confederal system is the only way to achieve national reconciliation and peaceful reunification. If any one side tries to reunify the country by way of absorbing the other side or by imposing one side's ideology and system on the other side, it will only intensify the internal confrontation of the nation and result in generating a new national disaster.

This being the case, our proposal for reunifying the country on the basis of founding the confederal system also corresponds to the lofty goals of the United Nations whose mission is to defend peace and justice in the international relations.

The Workers Party of Korea and the Republic's Government are convinced that although the North and South have now entered the United Nations separately, there will come, without fail, a day in the near future when a reunified Korea will occupy a single seat at the United Nations.

20 September 1991

Pyongyang

Paper Blames U.S. for Heightening War Tensions

SK2009102191 Pyongyang KCNA in English
1000 GMT 20 Sep 91

["U.S. Imperialists, the Very One Responsible For Growing Tensions on Korean Peninsula, Says NODONG SINMUN"—KCNA headline]

[Text] Pyongyang September 20 (KCNA)—The U.S. imperialists are insisting in a far-fetched manner that the Korean war was "provoked by the North" and are engrossed in a false propaganda about "nuclear development by the North" in a bid to make the fiction of "threat from the North" sound real, but they cannot conceal their true color, says NODONG SINMUN in a by-lined article today.

It notes:

It is a shameless false propaganda for the U.S. imperialists and the South Korean puppets to talk about the "threat from the North", as if tensions created on the Korean peninsula are attributable to others.

Though they suffered a miserable defeat in the Korean war, the U.S. imperialists have not yet given up their aggressive designs on the whole of Korea.

They are massively shipping into South Korea neutron bombs and other weapons of mass destruction and the means of their delivery, openly declaring that the second Korean war would be a nuclear war.

South Korea is now publicly recognized as a source of nuclear war.

It is the height of impudence for those who answer our proposal to turn the Korean peninsula into a nuclear-free, peace zone with the shipment of more nuclear weapons and the proposal to stop large-scale military exercises with more frantic nuclear war games to engage themselves in propaganda about "threat from the North".

It is the United States and the South Korean authorities that persistently evade and oppose the replacement of the Armistice Agreement with a peace agreement between the DPRK and the United States and the adoption of a nonaggression declaration between the North and the South. The "threat from the North" over which the U.S. imperialists and the South Korean puppets are raising a hue and cry is a sheer lie.

The U.S. imperialists worked out a "120-day war scenario", a nuclear war plan, and even signed with the puppets the "Wartime Host Nation Support Agreement" which is usually concluded on the eve of a war, claiming that it is the Korena peninsula where disputes will spread into a war after the Persian Gulf war.

The South Korean puppet army boss let out the war blast without hesitation that they would "make a surprise attack on the nuclear facilities of the North" when the U.S. imperialists were clamouring about fictitious "nuclear development" by the North.

All this shows that the U.S. imperialists and the puppets are hastening nuclear war preparations against the North while making a false propaganda about "threat from the North", which is their stereotyped method. And trying to unleash another war against the North as the case was with the last Korean war.

Allied Military Exercises 17, 18 Sep Reported

SK2009102791 Pyongyang KCNA in English
1007 GMT 20 Sep 91

[Text] Pyongyang September 20 (KCNA)—The U.S. Pacific Air Force and Navy commands on September 18 staged a joint ground strike exercise against the North in the sky above South Korea, according to military sources.

Hurled into the war game in the skies above Oeyon Island, Chechon, Kunwi and Asan by were formations of Pacific-based assault planes, such as A-6, AV-8, C-135 and VTOL [vertical takeoff and landing] assault planes and refueling tankers and more than 250 fighter-bombers, assault planes, reconnaissance planes and observation planes of the U.S. 7th Air Force and the puppet air force.

On the 17th and 18th, the U.S. imperialists sent an EH-60 electronic warfare helicopter to the air above Pochon and let it conduct espionage for electronic warfare, making shuttle flights from east to west along the Military Demarcation Line [MDL]. And, on the 18th, U-2 high-altitude strategic reconnaissance plane committed aerial espionage above the Military Demarcation Line on two occasions.

Meanwhile, the South Korean puppets, instigated by the U.S. imperialists, frantically staged war exercises against the North on the ground and in the sky and the sea.

On the 18th, the South Korean puppets staged a ground attack exercise involving artillery pieces, tanks and armoured cars in the areas of Uijongbu and Kapyong under the cover of formations of fighter-bombers and assault planes. On the same day they held a marine attack exercise with many combatant ships in the East Sea off Samchok and in the West Sea off Soyonpyong and Taeyonpyong Islands in coordination with formations of fighter-bombers, transport planes and assault planes of the puppet air force.

That day, 105 mm artillery and heavy tank groups of the puppet army which massed near the Military Demarcation Line fired a volley of shells toward a point near the MDL.

The war planes which took part in aerial war exercises in the sky above South Korea on September 18 numbered more than 600.

UN Meeting on Child Education in Pyongyang

SK2009105691 Pyongyang KCNA in English
1022 GMT 20 Sep 91

[Text] Pyongyang September 20 (KCNA)—A DPRK-UNICEF consultative meeting on early child development, stimulation and education was held here over September 18-20.

Present there were educational experts of Korea and Stephen H. Umemoto, deputy director of the East Asian and Pacific Regional Office of the UNICEF, and officials and specialists of this organisation and Nirmala Ranee Williams, acting resident representative of the UNDP to Korea.

Experiences on preschool-age children's education were exchanged and questions of expanding cooperation in this field were discussed at the meeting.

DPRK Embassy Opens in Phnom Penh 13 Sep

SK2009051791 Pyongyang KCNA in English
0413 GMT 20 Sep 91

[Text] Pyongyang September 20 (KCNA)—The embassy of the Democratic People's Republic of Korea in the Supreme National Council of Cambodia [as received] was opened in Phnom Penh on September 13.

PRC Provincial Visiting Group Arrives 19 Sep

SK2009051891 Pyongyang KCNA in English 0415 GMT 20 Sep 91

[Text] Pyongyang September 20 (KCNA)—The second friendship visiting group of China headed by Wang Guoshi, deputy secretary-general of the people's government of Inner Mongolia Autonomous Region, and the home-visiting groups of Koreans in the Soviet Union respectively headed by Chang Vasiliy and So Andrei arrived in Pyongyang on September 19.

Vice President Receives Iranian News Delegation

SK2009111891 Pyongyang KCNA in English 1031 GMT 20 Sep 91

[Text] Pyongyang September 20 (KCNA)—Vice-President Yi Chong-ok met and had a friendly conversation at the Mansudae Assembly Hall today with the delegation of the Iranian News Agency (IRNA) led by its Director General Hosein Nasiri.

Present there were director general of the Korean Central News Agency Kim Ki-yong and Iranian Ambassador to Korea Hasan Dabir.

Koreans in Japan Support DPRK UN Entry

SK2009080391 Pyongyang KCNA in English 0417 GMT 20 Sep 91

[Text] Tokyo September 19 (KNS-KCNA)—The Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) on September 18 released a statement upon the unanimous approval of the admission of the DPRK to the United Nations at its General Assembly.

The Central Standing Committee of Chongnyon deems it natural for the U.N. General Assembly to have decided on the entry of the DPRK into the United Nations, recognizing the just stand and efforts of the DPRK and welcomes it, the statement said.

Recalling that the South Korean authorities have persistently manoeuvred to force "the unilateral entry of South Korea into the United Nations", the statement said: This was intended to oppose one Korea and freeze "two Koreas" permanently through the U.N. arena, going against the desire of the entire Korean people for reunification.

Korea's entry into the United Nations, temporarily divided into the North and the South, does not mean recognising "two Koreas" but, on the contrary, it is an active measure of the DPRK Government to remove at an early date the new obstacles laid by the South Korean authorities in the way of reunification and realise the reunification of the country.

The statement further said:

We strongly demand that under the new situation created by the entry of the DPRK into the United Nations, the South Korean authorities rectify their splittist policy intended to perpetuate "two Koreas" and the North and the South accede to dialogue and negotiation with sincerity.

We will in the future, too, continue our efforts for the sharing of one seat in the United Nations through the achievement of national reunification based on confederacy in the 1990s by the concerted efforts of the whole nation.

Chondaehyop Delegates Speak at Student Rally

SK1909143291 Pyongyang Korean Central Broadcasting Network in Korean 1100 GMT 11 Sep 91

[Excerpts] A student rally at Kim Hyong-chik Teachers' College to vow revenge on the U.S. imperialist aggressors, the enemy of peace and reunification, was held on the afternoon of 11 September. Attending the rally were many students filled with surging indignation and hostility toward the U.S. imperialists and the military fascist clique that atrociously suppress the just struggle of the National Council of University Student Representatives [Chondaehyop] and the students in South Korea. [passage omitted]

Responsible functionaries of the college, faculty, and students were also present. As Chondaehyop delegates Pak Song-hui and Song Yong-sung, the iron-strong ranks for national salvation, arrived at the rally, the participants greeted and welcomed them with warm feelings of compatriotic love. [applause]

Speaking first at the rally was Yun Kwang-taek, chairman of the college's League of Socialist Working Youth of Korea. [passage omitted]

[Begin Song Yong-sung recording] Dear Kim Hyong-chik Teachers' College students: [applause] I greet you with a firm will to realize reunification, overcoming today's painful reality in the 47th year of the division of the fatherland. [applause] I am Chondaehyop delegate Song Yong-sung. [applause] Now our fatherland is (?trampled) by the violent subjugation and suppression of the U.S. imperialists and splittist forces. Nevertheless, the students, with their intelligence and daring spirit, are waging a vigorous anti-U.S. struggle for independence to realize a reunified fatherland. Their outcry is ringing all over the Korean peninsula. [applause]

Dear students, the anti-U.S. struggle for independence is a way of achieving national salvation, and the fighting spirit of the students is surging on the way to achieving reunification. [applause] Since it is a just and patriotic way to achieve (?national liberation) and fatherland reunification, we are certain that we will be victorious. The 1 million reunification fighters of the Chondaehyop will march vigorously with you without retreating an inch. Thank you. [applause] Let us accelerate national reunification by the denuclearization of the Korean peninsula and the adoption of a nonaggression declaration. Let us reunify the fatherland by all means in our own generation with our own hands. [applause] [end recording] [passage omitted]

Pak Song-hui, delegate of South Korea's Chondaehyop, spoke at the rally.

[Begin Pak Song-hui recording] How are you? I am Pak Song-hui from the Fifth Chondaehyop, the iron-strong ranks for national salvation. [applause] I am very pleased to meet you at this significant plaza of anti-U.S. struggle for national salvation. [applause] Thank you for inviting us Chondaehyop delegates to this rally to vow revenge, hosted by Kim Hyong-chik Teachers' College. I send you our warm love and comrade faith, as well as our pleasure, to you the fellow students for holding this rally. [applause]

The U.S. imperialists and the No Tae-u regime are revealing their bellicosity with such outbursts as preemptive nuclear attack. The so-called Ulchi-91 exercise conducted in South Korea showed that No Tae-u and the U.S. rascals are further accelerating their aggressive maneuvers more openly against the compatriots in the North. However, the 40 million masses in South Korea are waging a daring struggle all over South Korea to realize a peaceful (?Korean peninsula) and to (?save the nation) from the (?danger of war). I vow, in the name of the 40 million patriotic masses in the South, 70 million fellow countrymen, and the patriotic students in the South, that we will inflict a bolt of lightning on the U.S. imperialists. I reconfirm that our nation should live in a peaceful land free from danger of nuclear war and that we will achieve the independent and peaceful reunification of the fatherland. We the students, the vanguard of the times, should be at the head of this vigorous and daring struggle until the day of victory. This struggle of ours today will leave a precious lesson to the coming generation, but we should not bequeath a divided fatherland in danger of nuclear war. Let us struggle vigorously and be victorious without fail. Thank you. [applause] [end recording] [passage omitted]

Students Plan To Meet South Counterparts 26 Sep

SK2009103491 Pyongyang KCNA in English
1024 GMT 20 Sep 91

[Text] Pyongyang September 20 (KCNA)—A spokesman for the Korean Students Committee announced that student delegates of the North side would be sent to the Conference Room of the Neutral Nations Supervisory Commission in Panmunjom at 15:00 September 26 to discuss working matters with their counterpart of the South side in response to the invitation extended by the general student councils of Yonsei and Korea Universities in South Korea to students of the northern half of Korea including those of Kim Il-song University to participate in the "'91 Yonsei-Korea University National Liberation Festival" due to be held in Seoul.

Paper Denounces South for Blocking Student Talks

SK2009073391 Pyongyang KCNA in English
0440 GMT 20 Sep 91

[Text] Pyongyang September 20 (KCNA)—NODONG SINMUN today denounces the anti-dialogue and anti-reunification act of the South Korean authorities who frustrated the working-level talks of student delegates of the North and the South slated for September 17 in Panmunjom.

The General Student Councils of Yonsei and Korea Universities in South Korea invited students and people in the northern half of the country to Yonsei-Korea University national liberation festival which is held traditionally and proposed to the Students Committee of Kim Il-song University under the Korean Students Committee to hold working-level talks of students from the North and the South in Panmunjom in order to discuss the matter.

The news analyst points out:

The South Korean authorities whisked away all of the South side's delegates who were going to Panmunjom for the working-level talks for the reason that the students of Yonsei and Korea Universities decisively refused their unjustifiable demand that the words "national liberation" be deleted from the title "91 Yonsei-Korea University National Liberation Festival" and a forum on peace and reunification be cancelled in the joint functions.

The abortion of the September 17 working-level talks of student delegates of the North and the South by the South Korean authorities proves that though they are talking about "self-existence of the nation" and "peace and unification", they are, in actuality, seeking dependence on foreign forces, North-South confrontation and permanent division of the nation and the "unified channel of dialogue" much vaunted by them is a wicked design to block the way of independent nongovernmental dialogue and wide-range political negotiations.

Barring the way of independent nongovernmental dialogue and wide- range political negotiations under the pretext of "unified channel of dialogue" is an anti-national criminal act of those who oppose national reconciliation and unity and are afraid of the popular masses, the driving force of reunification, and an anti-dialogue and anti-reunification act to use dialogue for their divisive purpose.

No one can block the way of patriotic students promoting the great unity of the entire nation, actively conducting independent exchange and getting the U.S. troops and nuclear weapons withdrawn from South Korea so as to make 1995 a proud year of national reunification.

South Defector Renounces U.S. Citizenship

SK2009112091 Pyongyang KCNA in English 1032 GMT 20 Sep 91

[Text] Pyongyang September 20 (KCNA)—Sin Won-sik of South Korea who had come over to the northern half of Korea some time ago while working as a designer of the Alpha Engineer Company, Denver City, Colorado State, the United States, was interviewed by a KCNA reporter upon his complete abandonment of U.S. citizenship.

I, he said, crossed to the United States in my twenties. But I was disappointed at the reality of the old and corrupt American society and gradually got knowledge of the North and began longing for it and finally decided to come over to the northern half of Korea.

My short life in the North made me firmly decide to completely give up my U.S. citizenship and permanently settle down here as a citizen of the DPRK.

In the course of witnessing at first hand the prosperous reality of the North, I have confirmed that the socialism of the North guided by the great leader President Kim Il-song and the dear leader Mr. kim Chong-il is a model of ideal society of mankind and a place where my hope and talent can be brought into full bloom.

I extend deepest thanks to the great leader and the dear leader who have brought a brilliant reality to this homeland as I see it today.

Daily Views Death of Student by Police in South

SK2009080191 Pyongyang KCNA in English 0835 GMT 20 Sep 91

[Text] Pyongyang September 20 (KCNA)—The No Tae-u ruling group committed a thrice-cursed atrocity by fatal shooting at Han Kuk-won, a postgraduate of Seoul National University, on the scene of a demonstration on September 17 against the ever more intensified crackdown on students.

This is a truculent criminal act that could be committed only by blood-thirsty murderers, and it shows that No Tae-u's dictatorship of the "Sixth Republic" is an unprecedentedly truculent barbarous rule outdistancing Chon Tu-hwan's dictatorship of the "Fifth Republic" and South Korea is the worst zone of human rights violation, a wasteland of democracy the like of which cannot be found in anywhere else in the world, says NODONG SINMUN in a commentary today.

The news analyst goes on:

Indeed, South Korea today has turned into a land of darkness where the bloody massacre operation of Kwangju some 10 years ago is being repeated openly under the No Tae-u military fascist dictatorship.

The pistol murder is by no means "accidental." It is an inevitable outcome of the No group's ruthless fascist suppressive rule, murderous rule.

The use of arms by police numbered 89 cases in the first six months of this year, which claimed eight persons dead and fifteen wounded.

The chief culprit in the pistol murder case is the traitor No who enforced a fascist murderous rule in South Korea, made puppet police carry arms in suppressing people and ordered them to fire at random.

As long as such murderers as No are left intact in South Korea the people cannot keep themselves alive, let alone achieve their desire for independence, democracy and reunification.

The No Tae-u ruling group must face a stern judgement by the people as the chief culprit in murder.

Leaders Attend National Work Team Meeting 16 Sep

SK2009001891 Pyongyang Korean Central Broadcasting Network in Korean 0700 GMT 16 Sep 91

[Excerpts] A national meeting of work team heads was held the morning of 16 September at the 8 February House of Culture amid the great expectation and interest of the people across the country. [passage omitted]

The meeting was attended by model work team heads from across the country, functionaries of plants and enterprises, functionaries from central and local administrative and economic organs.

Present at the meeting were Comrade Yon Hyong-muk, member of the Political Bureau of the Central Committee of the Workers Party of Korea [WPK] and premier of the State Administration Council; Comrade Yi Chong-ok, member of the Political Bureau of the WPK Central Committee and vice president of the DPRK; Comrade Hong Song-yong, member of the Political Bureau of the WPK Central Committee and secretary of the party's Central Committee; Comrade Choe Tae- pok, candidate member of the Political Bureau of the WPK Central Committee and secretary of the party's Central Committee; Comrades Choe Yong-nim, Kim Pok-sin, Kang Hui-won, and Hong Si-hak who are candidate members of the Political Bureau of the WPK Central Committee and vice premiers of the State Administration Council; Comrades Kim Chung-nin and Pak Nam-ki, secretaries of the WPK Central Committee; Comrades Kim Yun-hyok and Kim Tal-hyon, vice premiers of the State Administration Council; labor heroes; and labor innovators. The meeting began with the singing of the song, "General Kim Il-song." [passage omitted]

Kim Chong-il, Three Revolutions Movement Lauded

SK1809015991 Pyongyang Korean Central Broadcasting Network in Korean 0600 GMT 7 Sep 91

[Unattributed talk: "Tracing the History of Great Guidance—While Leading the Three Revolutions to Continuous Intensification and Development"]

[Text] There is an inspiring slogan resounding with magnificent echoes all over chuche Korea which is advancing consistently along the road of socialism and communism with overflowing faith under the red banner of the three revolutions. This is a slogan which the dear leader Comrade Kim Chong-il put forth with a noble will to further intensify the three revolutions in conformity with the call for modeling the entire society on the chuche idea. Since this revolutionary slogan was raised aloft, our three revolutions have advanced with new vitality.

The three revolutions are our party's basic strategy for socialism and communism. The dear leader Comrade Kim Chong-il has noted: The three revolutions—ideological, technological, and cultural—are our party's basic strategic line for building socialism and communism.

The three revolutions which began in the initial stage of our people's building a new society and have continuously advanced are being intensified and developed on a new plane today. Whenever we think of the proud plane we have reached in the three revolutions movement, we always relive the noble will, the firm faith, and the perfect volition. The three revolutions are the only way to model the entire society on the chuche idea and build communism. The three revolutions are the only way for us to follow. Whether we carry out the three revolutions or not is the touchstone to determine the position of the communists whether they are willing to carry out the revolution to the end.

We should carry out the three revolutions by all means. We can feel with deep emotion the dear comrade leader's noble will, firm faith, and perfect volition. This noble will, firm faith, and perfect volition which the dear leader Comrade Kim Chong-il has engraved in the hearts of our people as a revolutionary slogan "Ideology, technology, and culture—all in accordance with the demands of chuche," has brought forth an upsurge with the movement to win the red flag of the three revolutions movement, and has became the prime-mover that gave a new impetus to the advance of the three revolutions teams [TRT] movement.

Initiating and wisely leading the three revolutions red flag movement and actively pushing ahead with the three revolutions is one of the important aspects of the immortal achievements made by the dear comrade leader on the road of brilliantly inheriting and completing the chuche revolutionary cause. Our revolution and construction, which entered the stage of a new turning point in the middle of 1970's, urgently demanded that we intensify and develop the mass movement for the three revolutions on a new plane. The dear comrade leader, with deep insight into the mature demand of the development of the revolution, put forth a wise policy on conducting a mass movement of a new higher form—the three revolutions red flag movement—with a struggle slogan "Ideology, technology, and culture—all in accordance with the demands of chuche." At the same time, he had the first torch of this movement raised aloft in Komdok and Chongsan-ri.

This movement, initiated by the dear comrade leader, appealed to the hearts of the masses right from the beginning as it reflected the mature demand for the development of the revolution and the revolutionary aspiration of our people, and, therefore, it rapidly spread all over the country. In less than a month after the first torch of this movement was raised in Komdok, it spread to all sectors and units, including the industrial, agricultural, scientific, educational, cultural, artistic, and public health sectors, rapidly expanding into a mass movement of entire society.

The dear leader Comrade Kim Chong-il put all his energies into further developing this movement, which had made a good start, into the mighty driving force of the three revolutions. As in all other tasks, how to vigorously wage a mass movement for the three revolutions depended upon how to strengthen the party's leadership in the mass movement. Through his constant study and discourse, the dear leader Comrade Kim Chong-il clearly elucidated the essence, characteristics, and cardinal tasks of the movement to win the red flag of the three revolutions and all principled problems and methods which arise in waging the movement to win the red flag of the three revolutions. Then, as an epochal measure for strengthening the party's leadership the dear comrade leader saw to it that party organizations at all levels firmly grasped the movement and directly pushed ahead with guidance and with the three revolutions teams viorously accelerated the movement.

Upholding and following the dear comrade leader's teachings, all party organizations not only firmly grasped the movement to win the red flag of the three revolutions as an important component of their work and strengthened the party's guidance to the movement, but also the three revolutions teams actively supported it. As a result, this movement fully displayed its great vitality. The dear comrade leader took a wise and outstanding measure which made it possible not only to lead the movement to win the red flag of the three revolutions to become the work of the masses themselves, but also to epochally strengthen the party's guidance to the movement. He also gave detailed and meticulous guidance to all problems, including the problem of how to establish stages and goals in waging this movement and the problem of how to conduct the summing-up and assessment work of the movement.

This was not all. The dear comrade leader also saw to it that party-wide discussion sessions and nation-wide experience-exchanging sessions concerning the movement to win the red flag of the three revolutions were held. He went so far as not only to arrange the meeting of forerunners of the movement to win the red flag of the three revolutions, but also to send a letter on "Let us more vigorously wage the movement to win the red flag of the three revolutions." Thus, the dear comrade leader extended warm hands to us so that the movement to win the red flag of the three revolutions could be deepened and developed at every stage with constant vitality.

The movement to win the red flag of the three revolutions, which has been vigorously waged under the wise leadership of the dear leader Comrade Kim Chong-il, holding aloft the slogan, "Ideology, technology, and culture—all in accordance with the demands of chuche," has become the great driving force which consistently pushes ahead with the three revolutions—which is the basic strategic line of our party for socialism and communism.

That the dear leader Comrade Kim Chong-il has constantly deepened and developed the three revolutions teams movement initiated by the great leader is one of his brilliant achievements registered on the road of expediting the chuche revolutionary cause under the banner of the three revolutions. The dear comrade leader has expanded in all sectors of the revolution and construction the TRT movement, a new form of revolutionary guidance, in which political and ideological guidance is combined with scientific and technological guidance, the advanced side helps the less-advanced side, and the three revolutions—ideology, technology, and culture—are accelerated through the mobilization of the working masses. He has also established the system of orderly party guidance to the TRT movement, that is, the work system under which the party directly gives guidance to the movement.

The dear comrade leader has also more firmly rallied and built the ranks of the three revolutions teams with those party core elements and young intellectuals prepared politically, ideologically, scientifically, and technologically. He has given meticulous guidance to the TRT movement by constantly raising the political and practical level of members of the three revolutions teams and has given meticulous guidance for improving their work method and style.

The dear comrade leader has praised even minor achievements by members of the three revolutions teams and vigorously encouraged their work, while giving them great political trust and consideration. As a result of this, the TRT movement has been more vigorously waged under the direct guidance of the party and with new vitality. Thus, the TRT movement has displayed its great vitality with each passing day.

The flames of the three revolutions have dynamically burnt at all sites where members of the three revolutions teams—who are vangards of the three revolutions and the standard bearers of struggle—work. At the same time, constant new progress has been made in the work of reforming the human being, the work of innovating technology, and the work of cultural construction. The movement to win the red flag of the three revolutions and the TRT movement, which have been waged under the revolutionary slogan, "Ideology, technology, and culture—all in accordance with the demands of chuche," are indeed proud movements.

The large contingent of unheralded heroes and unheralded meritorious people, who devote their all to the party and the leader, have been fostered, and all the people have rallied as one around the party and the leader, like the faithful young communists who upheld the great leader as the center of unity and as the center of leadership in the dawn of the Korean revolution. Thus, our people have become the proud loyalists who fulfill any task set forth by the party without fail.

The technological revolution and the cultural revolution, as well, have been accelerated at an unprecedented speed. As a result, the work of making the national economy chuche-oriented and modernized has been actively pushed ahead; the monumental edifices, such as the Sohae lockgate—which amazed the people of the world, the 10,000 ton-press, the large-type oxygen separator, and the Sunchon vinalon complex, have been built on this land, like mushrooms after rain; and the large number of intellectuals in this country has increased with each passing day.

Amid the great changes in which ideology, technology, culture, man, nature, and society have completely changed, the popular masses-centered socialism of our own style has come to more proudly radiate its brilliance and our revolution has come to have great vitality and an invincible source of life which make it possible to progress more vigorously.

Advancing, invariably flying the red flag of the three revolutions and holding aloft the slogan, "Ideology, technology, and culture—all in accordance with the demands of chuche," is precisely the iron faith and will of our people. With this iron faith and will and under the brilliant guidance of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il our people will vigorously expedite the day of the final victory of the chuche revolutionary cause and the day of the completion of the cause of the popular masses-centered socialism of our own style.

Paper Praises 'Revolutionary Character' of Party

*SK1909103491 Pyongyang KCNA in English
0959 GMT 19 Sep 91*

["NODONG SINMUN on Revolutionary Character and Leadership Role of Working-Class Party"—KCNA headline]

[Text] Pyongyang September 19 (KCNA)—The revolutionary character and leadership role of a working-class party are fundamental factors of the superiority and solidity of socialism, stresses NODONG SINMUN in a by-lined article today.

It says:

The dear leader Comrade Kim Chong-il in his work "Our Socialism for the People Will Not Perish" gave a profound scientific and theoretical exposition of the question of relationship between the working-class party and the socialist society on the basis of the chuche idea and expounded the original idea that the revolutionary character and leadership role of the party are fundamental factors of the superiority and solidarity of socialism. This is an undying feat which provided a valuable ideological and theoretical guideline that should be consistently adhered to in the cause of building the working-class party and in the building of socialism and communism.

The dear leader Comrade Kim Chong-il has said:

"The advantage and solidity of socialism depend on the revolutionary character of the working-class party, the guiding force of socialist society, and its leadership role."

Our socialism is fully displaying its superiority and solidity without any wavering in face of the vicious counterrevolutionary offensive of the imperialists and reactionaries. This is attributable entirely to the fact that our party has firmly maintained its revolutionary character as the party of chuche and steadily enhanced its leadership role.

The revolutionary character of the working-class party and its leadership role are fundamental factors of the advantages and solidity of socialism because, first of all, they make it possible to defend and develop the revolutionary idea of the working class, the ideological basis of socialism.

In our country, as the dear leader Comrade Kim Chong-il gave a perfect scientific exposition of many new questions arising in the building of socialism with his energetic ideological and theoretical activities, resolutely safeguarding the revolutionary ideology of the great leader Comrade Kim Il-song, the man-centred chuche idea, the ideological basis of socialism, has been further enriched and developed into a correct guiding idea for the accomplishment of the cause of socialism and communism in our era.

Another reason is that they make it possible to achieve the unity and cohesion of the leader, the party and the masses with credit and thus consolidate the political foundation of socialism.

The unity and cohesion of the leader, the party and the masses which constitutes the political foundation of socialism is the cornerstone of the advantages and solidity of socialism.

As our socialism has the most solid socio-political foundation based on the singlehearted unity of the leader, the party and the masses it is fully displaying its superiority and vitality without wavering in any storm.

The reason is also that they make it possible to accelerate the building of socialism and thereby provide the popular masses with a true socialist life which meets the inherent demand of man.

Our party has firmly ensured its monolithic leadership over the revolution and construction and wisely led socialist construction on the whole in conformity with the nature of social being and the law of socialism. This has enabled the people to actually lead a socialist, worthy political life, a healthy and equal economic life and a rich and noble ideological and cultural life to their heart's content.

The dear leader Comrade Kim Chong-il's idea that the revolutionary character of the working-class party and its leadership role are fundamental factors of the advantages and solidity of socialism constitutes one more great contribution to the development of the revolutionary theories of the working class and the accomplishment of the cause of socialism.

Tramline Project Accelerates Development

SK1709155291 Pyongyang KCNA in English 1502 GMT 17 Sep 91

[Text] Pyongyang September 17 (KCNA)—The second-stage tramline project is being accelerated in Pyongyang.

The line will stretch 12 kilometres from Munsu, Taedonggang District, East Pyongyang, to Tosong-dong, Raknang District.

The builders moved 60,000 cubic metres of earth, tamped 1,000 cubic metres of concrete, assembled hundreds of square metres of prefabs and built walls and installed some 1,000 metres of electric and communication networks in two months since they started the project.

And they nearly completed the underground setups and groundwork of buildings of the Munsu parking lot.

They have completed the expansion of the road of some 1,400 metres of Chongnyon Street.

The construction of the substation is being hastened.

Now it has become possible to step up the construction of the Munsu parking lot and tramline sidings and begin railroad bed project between Munsu and Tosong.

The tramline project in the capital is divided into several stages.

Tramcars run on the line in the completed sector covering 20 kilometres from Songsan, Kwangbok Street, to Songsin, East Pyongyang area.

KCNA Reviews 20 Sep Pyongyang Press

SK2009054591 Pyongyang KCNA in English 0447 GMT 20 Sep 91

[Press review]

[Text] Pyongyang September 20 (KCNA)—Papers here today convey news that immortal classical works of the great leader President Kim Il-song were widely reported in foreign countries.

Appearing in MINJU CHOSON are words of political and public figures of Japan highly praising President Kim Il-song.

NODONG SINMUN devotes one whole page to an article about the warm guidance of President Kim Il-song to make Hwang Chol a popular actor.

The paper carries a travelogue on the Chinese Jilin Yuwen middle school which is associated with the immortal history of President Kim Il-song during his early revolutionary activities.

Seminars on the dear leader Comrade Kim Chong-il's work "Young Men and Women, Be the Young Vanguard Unfailingly Loyal to the Party and the Leader" were held abroad, says the press.

Econews of the press includes reports that the construction of the oxygen plant factory of the February 8 vinalon complex is being accelerated at a fast tempo and a medium-sized electric motor production base has been built in Hamhung. Seen there is news that members of the League of Socialist Working Youth (LSWY) and other young people in Chaeyong County, South Hwanghae Province, held a meeting and called upon the LSWY organisations and youths in the field of agriculture throughout the country to play the vanguard role in harvesting and thrashing.

NODONG SINMUN carries an editorial stressing that the mass movement policy of the party should be thoroughly carried through continually.

The press informs the readers that the Korean ambassador presented his credentials to the Sierra Leonean president, the chairman of the Danish Workers' Party, Common Cause met the DPRK ambassador and the chief representative of the DPRK to France paid a courtesy call on the chairman of the Supreme National Council of Cambodia.

Carried in papers are an information on the decision to hold closing functions of the international solidarity march for supporting Korea's reunification in Pyongyang and Kaesong and reports that the deputy head of the DPRK delegation was interviewed by Japanese reporters in New York and a DPRK book, photo and handiwork exhibition was held in France.

The press informs the readers that the DPRK Embassy in the Supreme National Council of Cambodia opened in Phnom Penh. [sentence as received]

A national championships opened in Korea, says the press.

Papers convey what people from all walks of life said about the DPRK's admission into the United Nations.

MINJU CHOSON carries the full text of full-length notes by Yi In- mo, "a long-term prisoner who refused to convert", which was recently carried in the South Korean magazine MAL. He was active as a war correspondent of the Korean People's Army during the past Fatherland Liberation War (June 25, 1950-July 27, 1953), and was shot and arrested after joining the Chirisan guerrilla in the period of the temporary strategic retreat and served a prison term of 34 years.

The South Korean military fascist clique shot to death a postgraduate of Seoul National University on September 17. In this connection, over 10,000 students of 29 universities and colleges in South Korea held a meeting condemning the murderer and the National Council of Student Representatives (Chondaehyop) of South Korea stated that it would fight for an indefinite period to oust the traitor No Tae-u, papers report, with commentaries denouncing the thrice-cursed murder.

A commentary of NODONG SINMUN denounces the South Korean authorities for the foiled North-South student working-level talks for discussing the question of students of the northern half of Korea participating in the "91 Yonsei-Korea University national liberation festival".

The U.S. imperialists and the South Korean authorities ceaselessly committed war exercises against the North, and the U.S. imperialists decided to transfer a large amount of military equipment to the South Korean puppet army, according to the press,

NODONG SINMUN carries an article branding the U.S. imperialists as the provoker of the Korean war and the very one who is increasing the tensions.

Foreign news columns of the paper include reports that Premier Li Peng said international issues should not be decided upon by one or two big powers, the Iranian president called for establishing a new world order, the general secretary of the communist party of France called for unity in the anti-imperialist struggle and an Iran- Pakistan joint communique called for unity of Islamic countries.

Papers deal with the recent situation in Yugoslavia.

MINJU CHOSON in a travelogue on Cuba says that the Cuban people's will to advance along the road of socialism is immovable.

NODONG SINMUN carries an article laying bare the fiction of "freedom" of the press in capitalist society.

South Korea

No Tae-u Leaves for UN; Discusses Reunification

SK2009070391 Seoul YONHAP in English 0630 GMT 20 Sep 91

[Text] Seoul, Sept. 20 (YONHAP)—South Korean President No Tae-u, embarking on a nine-day trip to the United Nations and Mexico, said in a departure statement Friday that merging the U.N. memberships of South and North Korea into one should henceforth be the "paramount goal" of the Korean people.

"We are pained by the fact that South and North Korea have had to take two separate seats, rather than one as a single country... We are convinced, however, that the two Koreas' parallel membership in the United Nations is a transitional phase that we must go through on our way to unification," No said.

"We are convinced, moreover, that this transitional arrangement is our most realistic option for advancing the day of unification....

"I believe that the seats for the South and the North will also merge into one in the not so very distant future. And this should be our paramount goal from now on," No said in a departure ceremony at a Seoul airport.

No will give a speech, titled "Toward a Peaceful World Community," to the 46th U.N. General Assembly [UNGA] on Sept. 24. South and North Korea became full U.N. members on Sept. 17. No first addressed the UNGA in October 1988.

In his U.N. address, the chief executive will enunciate Korea's position on the present and future world and will expound on the direction the country will take to achieve peace and unification.

"I will make clear that the Republic is determined to be an ever greater contributor to world peace and prosperity," he said.

The president said he would confer with U.S. President George Bush and meet with Malaysian Prime Minister Mohamed Mahathir, New Zealand Prime Minister James Bolger and other national and U.N. leaders during his stay in New York.

He will then visit Mexico, which he described as "a key player in the Pacific basin as well as in Latin America," Sept. 25-27 as a guest of President Carlos Salinas.

"Our trade and economic cooperation with Mexico have been greatly expanding in recent years. That country is becoming an even more important partner for us in economic fields, including investment, as it is moving to form a free trade zone with the United States and Canada," No said.

Being the first Korean president to set foot in Mexico, No said, he wanted to make his visit "a potent catalyst" for expanding and cementing not only bilateral ties but also Seoul's relations with all other Latin American nations.

Stressing that the Korean peninsula stands at the threshold of a new era of peace and unification, No said he was embarking on his trip with "greater expectations and hopes than ever."

"We have succeeded in getting the tightly shut doors to the northern world open to us, thereby building ties of friendship and cooperation with all nations of the world and extending the sphere of our activities to every cranny and nook of the planet. Likewise, I am confident that we will be able to break open a path to unification on our own. I think my trip this time will mark another forceful stride toward that goal," he said.

No will return home Sept. 30 via Hawaii.

He is accompanied by a 14-member official entourage that includes Foreign Minister Yi Sang-ok and Gen. Chong Ho-kun, chairman of the joint chiefs of staff, and an unofficial group of politicians and businessmen that includes Kim Yong-sam, executive chairman of the ruling Democratic Liberal Party, and Kim Tae-chung, president of the Democratic Party.

No Tae-u Departure Statement

SK2009092291 Seoul KBS-1 Television Network in Korean 0600 GMT 20 Sep 91

[Statement by President No Tae-u at Seoul airport before departing for UN General Assembly session and visit to Mexico—live]

[Text] I am going to leave for the United States to make a speech at the 46th UN General Assembly session as the head of state of a UN member country and to visit the United Mexican States in the capacity as a state guest. Our country joined the United Nations the day before yesterday. Thereby, our country has now become a perfect member of the international community. The ROK ranks 13th in the world in terms of trade volume and 15th in terms of gross national product. It has been developing as a proserous country, as a country which enforces democracy, and as the country which hosted the most outstanding Olympics in the world. Nevertheless, our country had to remain outside the United Nations, the central arena in international society. This was because of the cold war structure. The big powers of the bloc which had confronted us in the past had blocked us from joining the United Nations.

Our admission to the United Nations indicates that the era of the cold war, which imposed the enormous tragedy of division and war on our nation, has ended. Now, the Korean peninsula is at a turning point in history and about to enter a new era of peace and reunification.

It is indeed heartrending that North and South Korea are joining the United Nations with two seats, not as one country. However, North and South Korea's simultaneous entry into the United Nations is a tentative stage that we should pass through for national reunification without fail, and we have pushed ahead with this, believing that such a process is the most realistic choice in expediting the day of reunification.

Last year we observed that with the achievement of Germany's reunification, the two seats in the United Nations that divided the country into East and West Germany were united into one seat for the first time in 17 years. It will not take long for the North and South Korean seats in the United Nations to become one seat, and it will also become precisely our supreme task.

Amid these great changes which have altered the world's order itself, the reunification of the Korean peninsula is only a matter of time and an inevitable course of history. How rapidly we can expedite that day depends only on our nation's will and efforts

I sincerely welcome North Korea's joining of the United Nations together with us by liquidating the stubborn attitude that it had assumed thus far. North and South Korea should abide together by the UN Charter, which calls for member nations to abolish the use of armed forces and to contribute to preserving world peace. Along with this, North and South Korea should maintain the relations of exchange and cooperation, should help each other, and, thus, should perform their duties as members of the international community. This will become a foundation which can not only liquidate the confrontation between the North and the South, but will also lead to achieving relations of coexistence and coprosperity between them.

Upon entering the 21st century, becoming a dignified country with the right to a voice in the international community has been precisely the long-cherished desire of our nation since it was divested of its diplomatic rights.

After the Ulsa Protectorate Treaty was signed, the Korean Empire sent secret emissaries to the World Peace Congress in the Hague. Yi Chun, Yi Sang-sol, and Yi Wi-chong had no alternative but, outside the door of the conference room, to cry over the sadness of a weak nation. During that dark era when we lost our country, we had to appeal for our independence outside many international conference rooms. After the liberation, the country was divided by other people without our participation.

We first applied for UN admission 43 long years ago. Recalling the troubled road that all the fellow countrymen have walked, I will speak in the hall of world peace as president of a member country. This is a very emotional occasion.

An era of independence has come when we decide on our nation's destiny by ourselves and when we speak for the common prosperity of the world's people and positively participate in efforts for it.

At the UN General Assembly, I will express to the world our positions on the world of today and tomorrow and directions that our nation will follow for peace on the Korean peninsula and her reunification.

We are a stranger in the United Nations. Also, it extended great assistance to us during our country's founding, during our rehabilitation after the Korean war, and during our economic development. I will express thanks to all the countries and people who helped us and spoke for us when we lacked a seat in the United Nations and will make clear that our country will become one playing a greater role in and more greatly contributing to peace and prosperity in the world. I will hold talks with U.S. President Bush in New York. I will also hold talks with Malaysian Prime Minister Mahathir and leaders of other countries of the world at the United Nations.

Mexico, whose population is 80 million and which has abundant resources, is not only an important Pacific country but also a leading Latin American country. Trade and economic cooperation have greatly developed between our country and Mexico. Moreover, Mexico has formed a free trade zone with the United States and Canada. In this sense, it has become our very important partner in cooperation for promoting investment and other economic affairs. I am the first president of our country to visit this country. I will provide a turning point not only in developing relations between the two countries further but also in strengthening relations between our country and Central and South America.

My visit to the United Nations and Mexico will last 10 short days. However, I will leave for this trip with greater expectations and hope than ever before. Just like we opened the tightly closed doors of the northern countries, thus promoting relations of friendship and cooperation with all the countries of the world and turning the entire world into our people's stage for activities, we will open the road toward reunification on our own. I believe that my trip this time will become a forceful step toward cultivating that road. I hope all of you, countrymen, will meaningfully celebrate Chusok, a national festive day. I will return after making every effort to bring worthwhile results to you, all the people. Thank you. [applause]

Text of Foreign Minister's Speech at UN

SK2009054791 Seoul THE KOREA HERALD (Supplement) in English 20 Sep 91 p 2

[Foreign Minister Yi Sang-ok's address to UN on the occasion of ROK's admission; delivered in New York on 17 Sep]

[Text] On the occasion of the admission of the Republic of Korea to United Nations membership, I should like to express, on behalf of the people and government of the Republic of Korea, our sincere appreciation to all members states of the United Nations. I would also like to extend my gratitude to you, Mr. President, and to the chairmen of the regional groups and the representative of the host country for the warm words of welcome. I take this opportunity to pay high tribute to the secretary-general, Mr. Javier Perez de Cuellar, for his invaluable assistance.

This is a very meaningul day for the Korean people. The Republic of Korea, which came into existence under the auspices of the United Nations 43 years ago, is now entering a new era as a United Nations member state. As our road has been a long and difficult one, we may well mark this occasion with special emotion.

Our decades-long effort to join the United Nations, begun with the establishment of our government, fell victim to the confrontation and rivalry that pervaded the Cold War. Inter-Korean confrontation often extended into the United Nations forums. The principle of universality of the United Nations was also, at times, subjected to the caprices of the grim international political reality. But all of this can now be relegated to the past. Today we begin anew.

The admission of the Republic of Korea comes at a time when the United Nations is playing a central role in the formation of a new international order, and will definitely help accelerate the ongoing process of global rapprochement. We heartily embrace the opportunity to join the United Nations at this important juncture in history and to undertake challenging new responsibilities as a United Nations member state.

This occasion has been made even more special and significant by the admission of the Democratic People's Republic of Korea simultaneously with our own. It gives both Koreas the opportunity to make constructive contributions to the United Nations to promote peace and common prosperity.

Furthermore, the parallel membership of both Koreas will certainly open a new chapter in inter-Korean relations by providing another important channel for dialogue and exchanges. We sincerely hope that this day, coinciding with the International Day of Peace, will mark a new beginning and a chance to finally remove the last vestiges of the Cold War from the Korean Peninsula. While we are joining the United Nations separately, we pledge at this august forum to make determined efforts to realize the peaceful unification of our divided land.

While the internecine Korean War ended four decades ago, peace on the Korean Peninsula remains elusive to this day. What prevails instead in our part of the world is an unstable state of armistice, which is neither war nor peace. Military confrontation between the South and the North remains unabated. It is for this reason that the government of the Republic of Korea strives, first and foremost, to prevent the recurrence of war on our soil and to build in its place a solid and permanent peace structure.

It is commonly said that "Peace is indivisible." Indeed, peace on the Korean Peninsula is indivisible from peace and security in Northeast Asia, and also in the rest of the world.

Now, even the antiquated order in Northeast Asia is no longer immune from the global trend toward reconciliation and reform, which has brought about the settlement of a number of regional conflicts in the world.

The solemn declaration of both Koreas to accept the obligations under the United Nations Charter attests to the fact that the Cold War structure that has dominated the Korean Peninsula for more than four decades is now undergoing fundamental changes. Our Northern Policy has enabled us to accelerate these processes by achieving the normalization of our relations with many formerly socialist countries, and particularly by fostering improved relations with those countries neighboring our own. The warm winds of reconciliation and cooperation will eventually melt away the icy wall of confrontation and distrust that separates the two parts of Korea.

My government has consistently pursued a policy aimed at the amelioration of inter-Korean relations. In the Presidential Declaration of July 7, 1988, my government offered its utmost cooperation to end the confrontational and unproductive diplomatic rivalry between South and North Korea and proclaimed our willingness to cooperate with North Korea in the international arena in the interest of the entire Korean nation. President No Tae-u, in his address in this hall on Oct. 18, 1988, further set forth several forward-looking steps toward reconciliation and reunification on the Korean Peninsula.

By simultaneously joining the United Nations, South and North Korea have now taken a giant first step forward. Confidence built through dialogue and cooperation within the United Nations framework will certainly move us closer toward durable peace and eventual reunification. The United Nations will provide an excellent opportunity for us to make significant strides in these very challenging endeavors.

Mr. President,

The United Nations holds special meaning for the Korean people. The government of the Republic of Korea was born under the auspices of the United Nations in 1948. At the outbreak of the tragic Korean War in 1950, the United Nations came to the aid of the Republic to defend its freedom and peace. The United Nations, furthermore, helped us to rebuild and rehabilitate our country from the ruins of war into a responsible member of the international community.

Our pursuit of friendly and cooperative relations with all nations of the world has led us to maintain diplomatic ties with more than 150 nations. Steady growth in economic and other sectors instills greater strength and viability in those relations. Now, the Republic of Korea has emerged as a significant member of the world community in political, economic, trade, cultural and other fields. The economic success of Korea is attributable to our close links with the international community. This interdependence and the relationship of mutual cooperation are expected to be further consolidated by our admission to the United Nations.

Already, the Republic of Korea plays an active part in numerous international organizations as a full member, including 15 United Nations specialized agencies. Our foreign policy is anchored on the purposes and principles of the United Nations.

We respect the various resolutions of the United Nations. Even while an observer, the Republic of Korea has faithfully abided by the letter and spirit of the United Nations Charter and has contributed to United Nations activities. Now, as a full member of this august world body, my country is prepared to redouble its efforts to promote the noble objectives of the United Nations.

Over the past several decades, the Republic of Korea has overcome enormous difficulties ad challenges to grow into a newly industrialized country with a liberal democracy and a market economy. Drawing on our past experience, we will make our humble contribution to the various important works of the United Nations, not only in the maintenance of international peace and security, including disarmament and arms control, but also in the areas of economic and social development, human rights, the environment, drugs and other global issues.

Once again, I wish to extend our most sincere appreciation to all the United Nations member countries who have supported and congratulated the admission of the Republic of Korea to the United Nations. I also wish to welcome and congratulate the Democratic People's Republic of Korea, the Federated States of Micronesia, the Republic of the Marshall Islands, the Republic of Estonia, the Republic of Latvia and the Republic of Lithuania on their admission to the United Nations.

Let me conclude my remarks by reiterating our commitment to work closely with the United Nations in shaping a new world order in which freedom, equality, prosperity, justice and rule of law prevail.

North, South Envoys Present Credentials to UN

SK2009021791 Seoul YONHAP in English 0202 GMT 20 Sep 91

[Text] United Nations, Sept. 19 (YONHAP)—South Korean Ambassador to the United Nations No Chang-hui presented credentials Thursday to U.N. Secretary-General Javier Perez de Cuellar.

No assured the secretary-general of Korea's active participation in U.N. activities and asked his support to make President No Tae-u's visit to the United Nations a success.

South and North Korea were admitted as full members Sept. 17, 42 years after their first try. No is to make a keynote speech Sept. 24.

North Korean Ambassador to the United Nations Pak Kil-yon also presented credentials before No.

Perez de Cuellar told No he hoped the simultaneous entry of the two Koreas would contribute to warming inter-Korean relations and hasten the day of national unification, according to South Korean officials.

When the two sides approach each other from a humanitarian point of view, South and North Korea will be able to remove the stumbling blocks to unification, he was quoted as saying.

Meeting with reporters afterwards, No said South Korean Foreign Minister Yi Sang-ok will meet with his counterparts from China, Japan, the United States and the Soviet Union and with as many foreign leaders as possible.

No said he will try to meet with Pak as often as possible through the United Nations.

He said Seoul did not officially propose a South-North Korean foreign ministers' meeting to Pyongyang, denying what North Korean Vice Foreign Minister Kang Sok-chu had told reporters.

The two foreign ministers are expected to attend a dinner hosted by members of the Association of Southeast Asian Nations (ASEAN) Oct. 2.

Contributions to UN May Reach $30 Million Yearly

SK2009033491 Seoul YONHAP in English 0222 GMT 20 Sep 91

[Text] Seoul, Sept. 20 (OANA-YONHAP)—South Korea is likely to contribute 30 million U.S. dollars a year to the United Nations now that it is a full member of the global body.

The annual dues will comprise 10 million dollars in mandatory membership contributions and 20 million dollars to various U.N. organizations that Korea belongs to, a Foreign Ministry official said Friday.

The share is 0.69 percent of the total contributions of U.N.- member countries, about 20th in rank. South Korea paid 10 million dollars to U.N. organizations before it was admitted simultaneously with North Korea as a member on Sept. 17.

North Korea is likely to pay 700,000 dollars in membership contributions and 2 million dollars to U.N. organizations, accounting for 0.05 percent of the total, the official said.

ROK Gains Seat on IAEA Board of Governors

SK2009091091 Seoul YONHAP in English 0358 GMT 20 Sep 91

[Text] Vienna, Sept. 20 (OANA-YONHAP)—South Korea was elected to the Board of Governors of the International Atomic Energy Agency (IAEA) Thursday.

The 35th IAEA General Assembly, meeting here since Monday, approved by consensus South Korea's seat on the board's Far East regional group. The board of governors is comprised of 35 nations.

This will be South Korea's eighth turn for the two-year term.

Vietnam, which ran for the general rotational seat on the board, was also accepted by consensus.

North Korea had applied for a Far East group seat but withdrew Monday, leaving South Korea the sole candidate.

Poll Shows Sentiment for U.S. Troop Withdrawal

SK2009094891 Seoul YONHAP in English 0814 GMT 20 Sep 91

[Text] Seoul, Sept. 20 (YONHAP)—An increasing number of South Koreans want U.S. forces out of their country, particularly younger Koreans, the CHUNGANG DAILY NEWS reported Friday.

Of 1,800 adults polled across the country, 31.8 percent said the United States should gradually or instantly pull out of South Korea. The rate was 19.7 percent in 1989 and 29.4 percent in 1990, CHUNGANG said.

As for the notion that U.S. forces should remain in the South as long as Korea is divided, 33.6 percent said yes. The rate was 41.7 percent in 1989 and 35.7 percent in 1990.

The rate was higher among older people: 22.1 percent of the respondents in their 20s, 29.6 percent in their 30s, 46 percent in their 40s and 45.9 percent in their 50s or over want U.S. troops to stay.

The poll was conducted in interviews Aug. 13-20. The margin of error is 2.3 percent.

Asked if unification of South and North Korea should be sought at the expense of economic confusion, 40.9 percent answered "yes" and 42.1 percent said "no."

Over 61 percent said a unified Korea should adopt the South Korean system of free democracy and only 0.9 percent called for adoption of the communist system of North Korea.

Twenty-seven percent suggested a third system combining the South and North Korean systems, and this opinion had more support among the young.

Nearly 57 percent of the respondents said they believed inter- Korean relations were better than a year ago, and 42.3 percent said there had been little change.

Almost 85 percent, up 3 percentage points from last year, said South Koreans should be allowed to tune in to North Korean television and radio programs.

Respondents gave poor marks to the government for its general performance, giving it a negative evaluation in all 12 fields but one—inter-Korean relations.

Disapproval was strongest in relation to price policy, with 87.6 percent saying the government had failed to stabilize prices. Discontent was also high over environmental policy, with 75 percent saying it was failing to prevent environmental contamination.

Asked to name the politician they favored most, only one-third of the respondents could, evidencing widespread political apathy.

As for the most likely ruling and opposition candidates for next presidency, 21.2 percent pointed to Kim Yong-sam, executive chairman of the ruling Democratic Liberal Party [DLP], and 31.5 percent Kim Tae-chung, co-leader of the Democratic Party.

Asked who they wanted to become president, 9.9 percent said Kim Tae-chung, 5.9 percent Kim Yong-sam, 3.3 percent Rep. Yi Chong-chan of the DLP and 2.3 percent Kim Chong-pil, co-chairman of the DLP. The vast majority responded, "don't know."

Asked who was likely to be the next president, 10.4 percent said Kim Yong-sam and 5.2 percent Kim Tae-chung.

When it comes to the style of government, the number of people supporting a presidential system (71.4 percent) increased from last year (67.5 percent). Only 9.4 percent chose a parliamentary system over the current presidential system.

Seoul Not To Increase Support for U.S. Troops

SK2009025591 Seoul THE KOREA TIMES in English 20 Sep 91 p 2

[Text] Vice Foreign Minister Yu Chong-ha said yesterday that the government would not drastically increase its share of expenditures for U.S. troops in South Korea.

Answering questions from lawmakers during the parliamentary inspection of the Foreign Ministry, Yu denied allegations that the government had agreed to increase its share of the upkeep for U.S. troops to some $420 million in 1995 from $150 million this year.

The U.S. administration has demanded that Korea shoulder some 50 percent of the total amount of wages for Korean employees of U.S. Forces Korea (USFK) estimated at $840 million in 1995.

"The government admits that defense costs for U.S. troops stationed in Korea are increasing. But, how much the financial contributions by our government will be increased can't be decided at present because the budget is made up on an annual basis," Vice Foreign Minister Yu said. Yu answered the lawmakers' inquiries because Foreign Minister Yi Sang-ok who is now in the United States after attending the General Assembly session of the United Nations.

Yu said in clearer terms, "The government will not enter into an agreement (with the U.S. administration) to raise its share of U.S. defense expenditures beyond our capabilities."

Korea's increased share of expenditures for the 43,000 American troops here was among the major questions posed by lawmakers during the interpellation of the Foreign Ministry which was conducted Wednesday and Thursday.

Yu said that South Korea provided $220 million to the United States out of a total of $350 million in pledged contributions to the U.S.-led multinational forces against Iraq. Besides that, South Korea pledged to offer $115 million in aid to Middle East countries damaged by the Iraqi invasion of Kuwait last year.

The government has discussed with the U.S. administration about the use of the war contributions and the U.S. authorities told the Korean government that Washington won't profit from them, said Yu.

As to the relocation of Eighth U.S. Army in Yongsan, the vice foreign minister said that 980,000 pyong of the compound (one pyong is about 3.3 square meters) will be returned to Korea by 1997 as scheduled.

"Our government's basic position is that the 70,000 pyong of land in the Yongsan compound being used by the U.S. embassy should also be returned to Korea," said Yu.

Yu said that the area has been used by the U.S. Embassy under the Status of Forces Agreement (SOFA) but now there is no legal ground for the embassy to continue to use it.

Revealing the outline of the envisioned Patent Secrecy Agreement (PSA) with the U.S., Yu said that the agreement will not impose royalties on Korea for its use of U.S. military secrets for military purposes.

Instead, the Korean government will be obliged to keep the secrets from being diverted to "enemy" countries, said Yu.

The government is negotiating the conclusion of the PSA by the end of this year in a package with an agreement on cooperation in science and technology between Korea and the U.S. which expired in 1988.

Yu made it clear that the government has no intention of providing economic assistance to China in return for the normalization of diplomatic ties.

As far as I know, no Chinese government official is talking about requesting economic assistance and our government's basic position about it is firm, said Yu.

"The government is aware that the Chinese leadership is pragmatic but is not making haste (in establishing diplomatic relations with South Korea). The government is adopting a step-by-step approach, like laying bricks," said Yu.

Kim Tae-chung Meets USSR's Shevardnadze

SK1909131291 Seoul YONHAP in English 1156 GMT 19 Sep 91

[Text] Moscow, Sept. 19 (YONHAP)—Opposition leader Kim Tae-chung met Thursday with Eduard Shevardnadze and discussed sisterhood relationship between his Democratic Party [DP] and a new Soviet political party now being promoted by the former Soviet foreign minister.

Kim, a co-leader of the DP, invited Shevardnadze to visit Seoul at a proper time.

Kim and Shevardnadze agreed that development of Seoul-Moscow ties would be good for the progress of the two countries and the stability of East Asia.

Kim arrived in Moscow Tuesday.

Kim Tae-chung Urges USSR, U.S. Cooperation

SK2009113691 Seoul YONHAP in English 1025 GMT 20 Sep 91

[Text] Moscow, Sept. 20 (YONHAP)—Opposition leader Kim Tae-chung on Friday called on the Soviet Union to "actively cooperate" with the United States for the settlement of peace in the Korean peninsula.

Answering questions in a press conference at Moscow's National Press Club, the top leader of opposition Democratic Party also said he hoped the Soviet Union would support reconciliation between and reunification of South and North Korea.

Touching on South Korea's plan to offer a 3 billion-U.S.-dollar tied loan for economic cooperation with the Soviet Union, Kim said, "what counts is whether the loan would be used efficiently for the economic development of the Soviet Union."

He added that the Soviets should work out reliable devices that guarantee faithful repayment of the economic cooperation fund.

Kim is to wind up his four-night, five-day stay in Moscow by having a dinner with ethnic Korean residents later Friday. He will leave for St. Petersburg (Leningrad) early Saturday.

Conference To Discuss Seoul-Japan Trade Opens

SK1909025291 Seoul THE KOREA HERALD in English 19 Sep 91 p 7

[Text] Pak Yong-hak, chairman of Korea-Japan Economic Association and also chairman of the Korea

Foreign Trade Association, said that Korea's trade deficit with Japan is expected to swell to more than $8 billion this year and, asked Tokyo to take steps to correct the trade imbalance.

In a speech to a joint economic conference between the two countries, Pak said, "The deficit results from weakening competitiveness of Korean manufacturing industries caused by the technology gap between them."

Economic cooperation between the two sides is more needed under the changing environment of the global economy in recent years, however, Pak said at the 23rd Joint Conference of Korea-Japan & Japan-Korea Economic Committees which opened yesterday for a three-day run at the Korea Exhibition Center in southern Seoul.

Binsuke Sugiura, head of Japan-Korea Economic Association, said in a speech that Japan and Korea have to play a bigger role for prosperity and stability of Asia and the world.

Sugiura acknowledged that there are still problems pending between the two nations such as trade imbalance and transfer of technology.

No Tae-u Suggests North-South Summit Talks

SK2009093791 Seoul YONHAP in English 0745 GMT 20 Sep 91

[Text] Seoul, Sept. 20 (YONHAP)—President No Tae-u said Friday that summit talks were the most effective way to improve relations between South and North Korea.

In a special interview with CHUNGANG DAILY NEWS, No said he made the overture for a summit to provide a breakthrough in inter-Korean relations and the proposal was still effective.

North Korea might be more in need of a summit than South Korea, he said.

The ball is in North Korea's court, No said in the interview, given to mark the paper's 26th anniversary.

Separate membership of South and North Korea in the United Nations was an "interim stage" and would expedite the reunification of Korea, he said.

"It is the providence of history that the Korean people realize reunification in the global changes in which all barriers are being torn down," No said.

The opening of the North Korean society was inevitable and Pyongyang's joining of the United Nations would be a starting point for enormous changes, he said.

No said, however, he hoped changes would occur gradually and in an orderly manner and noted that the South was making efforts to ripen the environment for political unification of Korea while realizing a community through exchange and cooperation.

No said he was seriously concerned about danger and adverse effects if there were explosive changes in North Korea and urged North Korea to give up plans to develop nuclear weapons.

Designation of the Korean peninsula as a nuclear-free zone was meaningless and unrealistic under the present circumstances, in which countries with nuclear arms surround the Korean peninsula and can attack the peninsula at any time with their advanced means of delivery, he said.

South Korea was willing to negotiate any problem to ease the military confrontation with North Korea if North Korea responded to the South's call for building military confidence and easing tension and gave up nuclear development, he said.

No said he expected that the entry of South and North Korea into the United Nations would advance the normalization of relations between South Korea and China.

"We will not make haste and the normalization will be realized as a matter of nature," he said.

Touching on domestic politics, No said the ruling party's presidential candidate will be selected through democratic procedures in accordance with the party charter.

He did not elaborate on the timing or method of selection.

The political schedule would be carried out as stipulated by the constitution and the law, he said.

North Vice Foreign Minister on Unity, U.S. Ties

SK2009083091 Seoul CHUNGANG ILBO in Korean 19 Sep 91 p 3

["Exclusive interview" with Kang Sok-chu, DPRK vice foreign minister, by CHUNGANG ILBO correspondent Pak Chun-hyong in New York on 18 September at UN Headquarters—first paragraph is CHUNGANG ILBO editor's note]

[Text] Kim Kye-kwan, roving ambassador of North Korea's foreign ministry, and Yi Hyong-chol, director of North Korea's Center for the Study of Disarmament, attended this interview in addition to Vice Foreign Minister Kang, and discussed a wide range of issues including the reunification question, North-South relations, and North Korea's relations with the United States.

[Pak Chun-hyong] The speeches delivered at the United Nations on 18 September by the representatives of the North and the South accepting the admission of their countries into the United Nations were characterized by the special emphasis put on the reunification question. The reunification question is unquestionably a national as well as an international question. The greatest factor that stands in the way is mistrust caused by the fratricidal war.

In this regard, the people in the South, while sympathizing with their brethren in the North and longing for reunification, still harbor doubts about North Korea. My question may offend you, but please answer this question if for no other reason than to help people in the other half of the country understand.

Frankly speaking, the compatriots in the South fear the outbreak of another war. In fact, North Korea's assertions that the past war was a war of liberation for the people in South Korea; North Korea's policy of reunifying the country by communizing it; the underground tunnels; the bombing in Rangoon; and the blowing up of a Korean Air passenger plane, also known as the Kim Hyon-hui incident; and many other incidents have all fueled this fear.

[Kang Sok-chu] We have no intention of reunifying the country by force. Most of the fears are the results of the South side's propaganda and I have never heard of such things. Our proposition to establish a confederal government is in itself an expression that we have no intention of communizing the South. Rather, it is the South side's government that attempts to achieve a reunification of the systems and reunification through the merger. With the South side having nuclear weapons, another war means the destruction of both sides. As we mentioned, we have no intention of doing such things. We have no strength to do such things.

[Pak] Do you mean to say that the North has abandoned the line of seeking to reunify the South by communizing it?

[Kang] Neither have we ever used such words as reunification of the country by communization, nor have we ever worked up such a plan. This shows how persistent the false propaganda against the northern half is and this is what matters.

[Pak] Whenever students in the South have staged demonstrations, North Korea has supported them. This is one of the reasons why the people in the South mistrust North Korea.

[Kang] To support the student demonstrations is quite natural. We mean to stand up to the United States, achieve democratization, and call on the South to set free those who visited the North, instead of capitalizing on the student demonstrations.

[Pak] Even the students and intellectuals who have staged demonstrations for democratization refer to the problems when commenting on democracy in North Korea.

[Kang] As ours is a socialist country, not capitalist, it is highly organized and the party makes this organization follow it by indoctrinating it and raising the consciousness of the organization based on its leadership over the organization.

[Pak] Nevertheless, the democracy you claim you have in the North is not the kind in which public servants are elected by popular votes, or is it?

[Kang] Deputies and party cadres are elected by popular votes. We have opposition parties such as the Korean Social Democratic Party, Chondoist Chongu Party, and Buddhist Party and these parties occupy, combined, between 2 to 12 percent of the deputies to the parliament.

[Pak] Is it not a serious problem that a single leader has stayed in power so long? It has frequently been the cause of demonstrations in South Korea.

[Kang] Our comrade leader and the party secretary are all to be elected by the deputies.

[Pak] Even those who are sympathetic to the North say that equality must be further promoted in South Korea and that freedom must be promoted in the North. This means that even though equality has been promoted to a certain extent in North Korea, there is not much freedom, doesn't it?

[Kang] North Korea enjoys political and economic democracy. There is no political suppression (nor, he adds, any political prisoners) or any gap between rich and poor in the people's livelihood, even though there are some differences depending upon jobs.

Education, medical services, houses, and jobs are guaranteed. There is no tax or epidemic disease. Unity has been promoted with the support of people. Do you still say there is no freedom?

[Pak] North Korea stresses the fatherland's reunification at every opportunity. Do you agree that fatherland can be reunified only when the North and South make mutual concessions and cooperate?

I think that if the North and the South have agreed to enter the United Nations, they could have had dialogue and cooperation to solve other problems, as well. What do you think?

[Kang] We made many concessions. We opposed the single admission of the South because this would mean that the South represented Korea: We decided to enter the United Nations at the last moment.

[Pak] Consequently, the North and South entered the United Nations simultaneously. Do you think that, if the North and the South had agreed to enter the United Nations, this would have looked good and the South could have made some concessions? What do you think?

[Kang] We wanted history to record the fact that we had no alternative but to enter the United Nations. If the North and South had agreed to enter the United Nations, this would have meant simultaneous but divisive admission. Thus, the North is not responsible for the divisive admission. We couldn't because we are responsible to the nation.

[Pak] Isn't the North insistent on principle? Principle is important. However, reality is also important when there is opposition. No progress will be made in handling the reunification problem if the two sides stress their own principles. In handling the reunification problem, what concessions can the North make, and what concessions does the North want the South to make?

[Kang] We have made concessions all along. We proposed the signing of a nonaggression treaty to solve military and political problems. However, the South opposed it under the pretext of the National Assembly. Instead, the South proposed that North-South relations be promoted and that economic exchange be facilitated. Therefore, we proposed discussing the three issues altogether. The South has not responded to our proposal.

[Pak] Do you mean that the North cannot make further concessions?

[Kang] (After discussing with roving ambassador Kim Kye-hwan, present at this interview) To hasten reunification, the authority of the federal government under a confederal system can be weakened, and the autonomous governments' authority strengthened.

We proposed that the confederal government, a central government, take charge of national defense, diplomacy, judiciary affairs, and trade. If this causes problems, the autonomous governments can take care of them, and the confederal government will coordinate only common national problems.

Then, the confederal government will become a pro forma government. However, the confederal government will exist under a single country name, and its functions can be expanded.

The South must make concessions on the denuclearization of the Korean peninsula and assume the attitude of sincerely handling national problems.

[Pak] The North wants to improve its relations with the United States. Is this, too, possible when the two sides make concessions on their positions?

[Kang] What we can concede is that we will not consider the South as a hostile country. If it is not to be partial to either the North and the South, does not hinder reunification, or does not carry out the policy of isolating the North, we can forget the past.

We cannot abandon this principle. We cannot make concessions on our sovereignty, existence, and national principle in our relations with powerful countries.

[Pak] Do you expect that the United Nations can play a role in our reunification?

[Kang] There must be a discussion on the United Nations's mediating role. However, since North Korea entered the United Nations and, as a result, was recognized as a country that pursues change, the problems concerning the UN forces and the Armistice Agreement must be solved. Even though we hope that big countries will help to ensure that North-South dialogue go well, the North's position is that we solve problems by ourselves.

Red Cross President Urges Resumption of Talks

SK2009060091 Seoul YONHAP in English 0541 GMT 20 Sep 91

[Text] Seoul, Sept. 20 (YONHAP)—Kang Yong-hun, president of the South Korean National Red Cross, Friday urged Yi Song-ho, his North Korean counterpart, to resume South-North Korean Red Cross talks on the problem of separated families.

"Your side proposed on Aug. 12 that South and North should begin the 11th Red Cross talks in Pyongyang as soon as possible, but you have shown no intention of restarting the talks until now," Kang said in his telephone message.

"So we now urge resumption of talks once again, considering that the South and North Korean Red Crosses cannot leave separated families as they are when the two Koreas have been admitted to the united nations and are pushing for mutual exchanges in various fields," he said.

Survey Says North Continues To Pose Threat

SK2009053491 Seoul YONHAP in English 0237 GMT 20 Sep 91

[Text] Seoul, Sept. 20 (YONHAP)—Most South Koreans think North Korea is unlikely to stop trying to foment a violent revolution in South Korea just because it has joined the United Nations, though membership will influence it, according to a poll released Friday.

Of 800 adults polled Wednesday by the Institute of Asian Studies at the request of the Information Ministry, 20 percent said U.N. entry would affect North Korea's opening "Substantially" and 47 percent said "Somewhat."

An overwhelming 85.6 percent said North Korea would keep its policy of trying to start an armed revolution in the South and 9.6 percent said it would change its policy, the data showed.

Over half of those polled said reunification would be possible in 20 years or they could not see it happening at all.

Only 3.3 percent said reunification was possible in two or three years, 12.4 percent said five years 32.1 percent said 10 years, 23.8 percent said 20 years and 28.5 percent said they could not say when.

On relations with China, 68.9 percent said joint U.N. entry to South and North Korea would influence normalization of diplomatic relations with China and 27.9 percent said there would be no influence.

About half said North Korea would abide by the U.N. Charter to some degree.

Almost 70 percent of those surveyed said the government's "Northern diplomacy" had contributed to the joint U.N. entry of the two Koreas.

Autopsy Conducted on Police Gunfire Victim

SK1909131791 Seoul YONHAP in English 1305 GMT 19 Sep 91

[Text] Seoul, Sept. 19 (YONHAP)—Doctors said Thursday that Han Kuk-won, a Seoul University postgraduate student shot to death near the scene of a violent clash between students and policemen Tuesday night, seemed to have been fatally injured by a ricochet, but not by a direct hit.

They made the remarks after attending an autopsy on Han's body.

Prosecutor Cho Ho-kyong said after the autopsy that a bullet hit right at the heart of the victim causing him to die. He added that there was no other injury than minor scratches under the left knee and on the right hand.

The autopsy was performed for three hours in the afternoon at the Seoul National University [SNU] Hospital, watched by doctors and 20 students.

Doctor Yi Chung-pin of SNU Hospital speculated the bullet must have ricochetted off the surface of a hard object at an angle before hitting Han, citing a 2 mm-deep scratch on one side of the bullet.

Prosecutors will decide punitive measures to be taken against a policeman who fired the bullet according to the result of the postmortem examination, which will help ascertain the angle of the shot, a clue that helps determine whether he observed safety regulations.

Student Arrested for Studying DPRK Ideology

SK1609062791 Seoul YONHAP in English 0418 GMT 16 Sep 91

[Text] Seoul, Sept. 16 (YONHAP)—The Agency for National Security Planning [NSP] Monday arrested Chong Hyong-pae, 28, a graduate of Chosun University in Kwangju, on charges of studying North Korean leader Kim Il-song's chuche (self-reliance) ideology in violation of the National Security Law.

Chong had studied chuche ideology using subversive books and videotapes on the Rev. Mun Ik-hwan's activities in North Korea and had been in contact with members of the pro-Pyongyang organization Chochongnyon [General Association of Korean Residents in Japan] since March, an NSP spokesman said.

Chong was also suspected of being in touch with Kim Chol-chu, 47, a Chochongnyon member, to study chuche and of informing Chochongnyon of the activities of radical students in Korea, he said.

Chong went to Japan to study Japanese in March last year. He was apprehended by security authorities on Sept. 12 while returning home for a temporary stay.

New Head of Industrial Property Office Named

SK2009013391 Seoul YONHAP in English 0045 GMT 20 Sep 91

[Text] Seoul, Sept. 20 (YONHAP)—Kim Tae-chun, 53, second assistant trade and industry minister, was named commissioner of the Korea Industrial Property Office on Thursday. Kim replaces Kim Chol-su, who was appointed to head the Korea Trade Promotion Corporation (KOTRA).

Meanwhile, Kim Yong-su, 56, former president of Munhwa Broadcasting Co. was chosen president of the Korean Broadcasting Institute in a Board of Directors meeting. Chong In-yang, 62, an ex-member of the Korean Broadcasting Committee, was elected chairman of the Institute on Thursday.

Burma

Army Attacks Kayah Rebel Border Base

BK2009014891 Bangkok BANGKOK POST in English 20 Sep 91 p 3

[Text] Chiang Mai—An unspecified number of Kayah rebels were killed and wounded when their base near the Thai-Burmese border came under a fierce attack by Burmese troops on Wednesday.

Informed Thai Border Patrol Police [BPP] sources said about 100 Burmese troops from the 18th Battalion of the 55th Division attacked the rebels' base in Doi Saeng located about 500 metres from the border of Mae Hong Son's Muang District.

The attack lasted about half an hour before the Burmese troops broke contact and retreated.

The sources said the Burmese side suffered seven injured while several rebels were killed or wounded.

After the attack, Kayah rebel reinforcements were rushed to the base, the sources added.

Meanwhile, another BPP source said an unspecified number of Burmese troops had, since September 7, set up a mortar firebase on Thai territory in Doi Pa Tang, Tambon Mae Hong of Mae Sariang District, to provide fire support.

The invading Burmese forces have not shown any signs that they would pull back from Thai soil, the source noted.

In another development, about 2,000 Burmese troops based in Tachilek, opposite Mae Sai District of Chiang Rai, had moved southward reportedly heading towards the drug warlord Khun Sa's Muang Tai Army garrison in Doi Lang.

Khun Sa reportedly has some 5,000 troops guarding Doi Lang. The troops are facing some 4,000 Wa volunteers of the Burmese Army.

Karen Rebel Attack Kills Three 'Civilians'

BK1909143091 Rangoon Radio Burma in Burmese 1330 GMT 19 Sep 91

[Excerpt] The terrorist insurgent group Karen National Union [KNU] has been disrupting regional peace and tranquillity, attacking public service personnel, and staging ambushes to kill and wound innocent people.

At around 0900 on 18 September, while seven trucks carrying about 140 civilian volunteers and road construction rocks were traveling from Taungpyat under the arrangement of the Kawkareik Township Law and Order Restoration Council to improve communications for the development of the Karen region, about 20 KNU terrorist insurgents attacked the convoy with small arms. The attack took place as the trucks arrived at Thittaukpin. The attack killed three people—one young man who had volunteered to work on the road construction project and two women who were hitching a ride after a sales trip—and wounded five other youth volunteers. [passage omitted]

Transport Minister Receives PRC Aviation Group

BK1909140491 Rangoon Burma Television Network in Burmese 1330 GMT 19 Sep 91

[Text] Managing Director Mr. Li Xiaowei and Planning Director Mr. Zhu Wen of the China National Aero-Technology Import and Export Corporation paid a courtesy call on Lieutenant General Tin Tun, member of the State Law and Order Restoration Council and minister of transport and communications and labor and social welfare, at the the Ministry of Transport and Communications at 1030 today.

During the meeting, frank and cordial talks were held on the planned demonstration flight in Myanmar [Burma] of the four-engined Y-8 transport aircraft, matters concerning the aircraft and spares, and other aviation matters of mutual interest.

Also present on the occasion were U Khin Maung Thein, managing director of the Inland Water Transport Board; U Win Sein, managing director of the Myanmar Railways; and responsible officials.

Brunei, Malaysia, & Singapore

Brunei

Mahathir Assails U.S. Opposition to EAEG

BK1909135191 Kuala Lumpur BERNAMA in English 1001 GMT 19 Sep 91

[By Syed Jamil Jaafar]

[Text] Mexico City, Sept 19 (OANA-BERNAMA)—Malaysian Prime Minister Dr. Mahathir Mohamed said Thursday [19 September] the United States' opposition to the Malaysia-initiated East Asia Economic Grouping (EAEG) reflected the contrariness of the Americans.

"On the one hand, they consider it their right to form an association with their neighbouring countries for the purpose of lowering trade barriers and increasing economic interaction," the prime minister said.

"On the other hand, we in East Asia are not even allowed to call ourselves East Asians. We are now told that we may call ourselves Pacific people.

"This is something we cannot understand especially when the EAEG is not a trade bloc, it is not even going to be a free trade zone," he told a packed press conference on the second day of his six-day official visit to Mexico on Wednesday.

The prime minister was responding to questions on the proposed North America Free Trade Area (NAFTA) which will group the United States, Canada, and Mexico and the EAEG, which has generated considerable interest here.

Dr. Mahathir explained that the EAEG was merely a forum for East Asian countries to discuss certain common issues with regard to free trade so as to defend free trade at international forums such as GATT and the Uruguay rounds of multilateral trade negotiations.

"But the United States is opposed to this. We cannot understand," the prime minister added.

Asked whether Malaysia would seek to use Mexico as a "back door" to enter the U.S. market following the establishment of NAFTA, Dr. Mahathir said Malaysia preferred to use the "front door."

He said it might be difficult to use Mexico as a conduit to enter the North American market as there would certainly be a lot of conditions to be met.

He said Malaysia was still studying the NAFTA proposal and would have to consider some approach to deal with the matter.

"We would like to enter through the front door but if we can't, we may have to use the back door," he said.

The United States is an important trading partner for Malaysia, accounting for 18 percent of the country's total trade.

Malaysia's trade with Mexico was small (about 0.12 per cent of Malaysia's total trade).

Cambodia

Peace Agreement 'Imminent' Despite Obstacles

BK2009085191 Hong Kong AFP in English 0836 GMT 18 Sep 91

[By Charles-Antoine De Nerciat]

[Text] Bangkok, Sept 20 (AFP)—Peace now seems imminent among Cambodia's warring factions but diplomats anticipate last-minute problems in finalizing details and say the scars left by years of war and upheaval will take a long time to heal.

An agreement among the factions, whose leaders are attending the United Nations General Assembly in New York, on the voting system to be used in U.N.-organised elections in Cambodia has cleared the way for a settlement ending the 13-year-old war.

Thursday's agreement to adopt proportional representation at provincial level caps some five months of intense negotiations in which the two sides—Phnom Penh and a guerrilla coalition—first agreed to a ceasefire, then accepted a U.N.-supervised demobilization of 70 percent of their armed forces.

The talks also led to the setting up of a decision-making mechanism to arbitrate when the Supreme National Council (SNC)—which consists of six members from Phnom Penh and six from the guerrilla coalition—cannot agree.

"We are now very close to an agreement," said a diplomat who monitors developments in Cambodia.

"It looks as if it will be possible to sign it by the end of October in Paris, but, in the meantime, details must be spelled out clearly and some gnashing of the teeth is to be expected from the various Cambodian groups," said the envoy, who declined to be identified.

Thailand Friday welcomed the agreement and Thai Foreign Ministry spokesman Sakthip Krairoek said Bangkok was "hopeful that this progress will be conducive to the reconvening of the Paris International Conference on Cambodia on October 31 as initially proposed by France.

"We hope this will lead to the signing of a comprehensive peace agreement in Cambodia."

A 19-country Paris peace conference, which broke up two years ago in deadlock with the factions unable to reach a compromise, is to be reconvened to formally endorse a peace settlement, which will lead to a massive U.N. military and civilian involvement in administering the country up to elections.

Diplomats point to the enormity of the task which involves trying to restore some form of normality in Cambodia where war first broke out in 1970 followed in 1975 by mass killings under the Khmer Rouge reign of terror which was overthrown by a Vietnamese invasion in 1979 leading to the present conflict.

Up to 375,000 Cambodian refugees will have to be repatriated from guerrilla-controlled camps along Thailand's border with Cambodia, while an estimated 150,000 "displaced persons" who have fled the fighting inside Cambodia also will have to be resettled.

This mass exodus under the auspices of the U.N. is to take place in a country where hundreds of thousands of mines have been laid over the years and where health and sanitation conditions are primitive because of a lack of supplies and equipment.

The problem is compounded by the lack of trained personnel due to the Khmer Rouge policy of exterminating all intellectuals and losses in the subsequent fighting between the Hanoi-backed government in Phnom Penh and the guerrilla coalition which is dominated by the Khmer Rouge In an ironic twist, while the conflict has moved towards an end, banditry has escalated considerably claiming lives both in Cambodia and in the refugee camps with idle soldiers turning to looting.

These problems have been made worse by the lingering distrust among the factions despite the compromises they have accepted towards peace, diplomats said.

Despite the key agreement reached last month in talks at the Thai resort of Phatthaya on military cuts, Phnom Penh—also communist and led by Khmer Rouge defectors—and the Khmer Rouge have already engaged in a bitter dispute over the implementation of the demobilisation programme.

The Cambodian government has rejected accusations by the Khmer Rouge of swelling the ranks of its army with children.

There has also been bickering over Phnom Penh's Interior Ministry special forces codenamed "A-3."

The Khmer Rouge insists they be included in the cuts while Phnom Penh has said these troops have already been disbanded and anyway would not come under the terms of the demobilisation agreement as they would be police not military.

A potential source of discord identified by diplomats is whether Cambodians living in exile would be eligible to vote, with the Cambodian government wanting them excluded from the ballot.

But diplomats agree that potential confrontation over details would not ultimately stand in the way of a settlement.

"Once demobilisation had been settled, it was never a question of if but when a settlement would come," one said.

Prince Norodom Sihanouk, Cambodia's former monarch and the neutral head of the SNC, has said he was optimistic a peace accord could be signed in the French capital on October 31.

He is to return in November to Phnom Penh where the SNC is to set up its headquarters.

Hun Sen, Sihanouk To Gain From Electoral System

BK2009131091 Hong Kong AFP in English 1224 GMT 20 Sep 91

[By Sheri Prasso]

[Text] Phnom Penh, Sept 20 (AFP)—Cambodia's present government will probably be able to stay in power under the election system agreed to by the warring factions, local and foreign sources here said Friday.

But it will have to concede to widespread popular support for former monarch Prince Norodom Sihanouk.

"Sihanouk and the present government are more or less going to have to share the vote," said one diplomat here who spoke on condition he not be identified.

"It would stand to reason that this present government if not winning the election, stands to win an essential share of the vote," he said.

"But Sihanouk—he is royalty; royalty is related to God and his years (in power) were the closest to what would possibly pass for peace in this country," he said.

The four Cambodian factions who have been at war for 13 years agreed Thursday in New York to hold elections in 20 provinces some time in 1992.

The agreement is a compromise between a nationwide, winner-take- all election desired by Phnom Penh Premier Hun Sen and a resistance- proposed system that gives seats in the new government in proportion to the total number of votes received.

"This is more favorable to Sihanouk and Hun Sen than to the Khmer Rouge," a foreign source said, calling the agreement "quite a surprise.

"What is interesting is why they have reached an agreement so soon," rather than at the Paris International Conference on Cambodia scheduled for next month.

The four factions, acting as the Supreme National Council headed by Prince Sihanouk, are expected to sign a peace accord at that meeting.

Even though its elected representation in a future government is expected to be small, the Khmer Rouge also have quite a bit to gain in elections, the diplomat said.

"Legitimacy, that is," he said.

The radical Marxists shot their way into the capital in 1975, deposed the goverment and ruled by terror for almost four years until they themselves were forced out by invading Vietnamese troops in January 1979.

The details of the election campaign, how many parties will run and under what banners, and whether the present government will divide into separate parties remain to be seen.

A local political insider said that while Hun Sen and Prince Sihanouk now seem to have the most to gain in elections, any break in the government's alliances would threaten to split the vote.

Chea Sim, who heads the National Assembly, is regarded by some as a hardliner while Hun Sen is seen as more liberal. But Chea Sim does not have enough popular support to win an election on his own, the political observer said.

"The conflict between Chea Sim and Hun Sen is not one of ideology, but of interests," he said. "Chea Sim is not very popular and must use the existing government structure."

Still, the diplomat emphasized that no matter how the elections shape up, "we can only be happy."

"This is what we've all been striving for for a number of years," he said.

Radio Insists on Dismantling Phnom Penh Force

BK2009024891 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 19 Sep 91

[Station commentary: "The Cambodian People Demand That Vietnam and Phnom Penh Side Sincerely Respect the Phatthaya Agreement and Not Complicate a Comprehensive Political Settlement of the Cambodian Problem"]

[Text] In the wake of the second round of Supreme National Council [SNC] meeting in Phatthaya from 26 to 29 August 1991 at which the four Cambodian parties agreed to trim all kinds of armed forces as well as armaments and ammunition by 70 percent, the following events have arisen on the battlefield in Cambodia:

1. Vietnam and the Phnom Penh side have been arming with pistols their forces called "core cadres" in villages and communes. The so- called core cadres from fighting units are designated to control people in villages and keep an eye on the Cambodian people sympathizing with and supporting the tripartite Cambodian national resistance forces. The plan to arm their core cadres is for the purpose of suppressing the people and forcing them to vote for them in the future.
2. Vietnam and Phnom Penh have renamed their A-3 force as A-90.
3. Vietnam has incorporated its regular troops in the A-3 or A- 90 forces.
4. Vietnam continues to conscript our people's children into its army. Our people were told that the draft was for the future control and disarmament by the United Nations.

These events demonstrate that Vietnam and the Phnom Penh side have not respected the Phatthaya agreements on the demobilization of all the Cambodian parties' armed forces. Vietnam is staging foul play for achieving its ambitious strategy of swallowing and turning Cambodia into a Vietnamese province as the case of Kampuchea Kraom.

The Cambodian people vehemently demand that the Vietnamese aggressors and the Phnom Penh side respect with all sincerity the Phatthaya agreement on troop demobilization, stop drafting new recruits, cease building up the A-3 or A-90 forces, and refrain from creating difficulties to a comprehensive political settlement of the Cambodian problem to be reached in complying with the framework document of the five permanent members of the UN Security Council.

Besides, the events also show the need for including the Phnom Penh side's A-3 or A-90 forces in the armies to be dismantled. This is to prevent Vietnam and the Phnom

The tripartite Cambodian national resistance forces sincerely respect the Phatthaya agreement on troop reduction. We continue to endorse the framework document and the 26 November 1990 draft agreement calling for dismantlement and regrouping of all the armed forces of the Cambodian parties in order to create a neutral, peaceful, and stable environment before and during the free elections under the supervision of the United Nations.

SRV Assembly Delegation Activities Reported

BK2009044791 Phnom Penh SPK in French 0122 GMT 20 Sep 91

[Text] Phnom Penh 20 Sep (SPK)—Sam Sundoeun, chairman of the Cambodian-Vietnamese Friendship Association, held a meeting with the high-level delegation of the Vietnamese National Assembly led by its Chairman Le Quang Dao on its visit to Cambodia.

Sam Sundoeun briefed the guests about the activities of his association and the current situation in the country, especially the damages caused by the floods that had ravaged several provinces, including the regions adjoining Phnom Penh City.

Le Quang Dao highly esteemed the achievements scored by the association and hoped that the latter would continue to actively pursue its works.

Vu Mao—chairman of the Vietnamese-Cambodian Friendship Association—who also took part in the delegation, gave an account of the activities of his association and those of the association's branches in northern and southern Vietnam.

Nou Beng, vice chairman of the National Assembly, and Ngo Dien, Vietnamese ambassador to Cambodia, were also present.

The Vietnamese delegation visited the temple of Angkor Wat, former royal palace, and the national museum. It will hold talks with the Cambodian National Assembly delegation led by Chairman Chea Sim and meet with Heng Samrin, general secretary of the party Central Committee and chairman of the State Council, before ending its week-long visit to Cambodia.

Visits Kandal Flood Victims

BK2009100891 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 19 Sep 91

[Text] On the morning of 19 September, the high-ranking delegation of the SRV National Assembly led by Comrade Le Quang Dao, National Assembly chairman and vice chairman of the SRV Council of State, visited Kandal Province and handed over relief aid consisting of a tonne of rice, 1920 sets of clothes, 50 notebooks, 96

Comrade Vong Sot, secretary of the Kandal provincial party committee and chairman of the people's committee, informed the delegation about the development in Kandal Province over the past 12 years and the situation of the floods in some districts in the province. Serious damage has been caused to about (?3,000) houses and (?over 10,000) families are without shelter. Comrade Vong Sot further said over 3,000 hectares of rice crop have been lost; many domestic animals have died and other people's property damaged. Many hospitals, schools, monasteries, bridges, and roads have been flooded and damaged.

Speaking on the occasion, Comrade Le Quang Dao expressed moving sentiments and great regret over the floods which caused damage and loss of the people's and public property in the province and sadly shared the suffering and regret caused by this natural disaster.

Hor Namhong Receives Sympathy Message From Cuba

BK2009100291 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 19 Sep 91

[Text] Comrade Hor Namhong, foreign minister of the State of Cambodia, recently received a message from His Excellency Isidoro Malmierca, foreign minister of the Republic of Cuba. The message says in essence:

We have received the tragic news of the floods in some provinces in the State of Cambodia causing a lot of damage to human lives and material. On behalf of the Foreign Ministry personnel and in my own name, I would like to convey to you and through you to the fraternal Cambodian people profound solidarity sentiments. May the Cambodian people quickly recover from the damage.

Leaders Express Thanks for Sympathy Messages

Message to Laos

BK2009071591 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 20 Sep 91

[Text] Comrade Heng Samrin, chairman of the State Council; Comrade Chea Sim, chairman of the National Assembly; and Comrade Hun Sen, chairman of the Council of Ministers of the State of Cambodia, recently conveyed a message of thanks to Comrade Kaysone Phomvihan, president of the Lao People's Democratic Republic [LPDR]; Comrade Nouhak Phoumsavan, chairman the People's Supreme Presidium; and Comrade Khamtai Siphandon, prime minister of the LPDR.

The message read among other things:

On behalf of the party and government of the State of Cambodia as well as the entire Cambodian people, we are extremely moved and wish to profoundly thank the brotherly Lao party, government, and people for their sentiment and sympathy for the Cambodian people who have suffered the disaster caused by the recent floods in many provinces in Cambodia. The sympathy has encouraged the Cambodian problem in overcoming all manner of difficulties created by the natural calamity to stabilize and bring their lives back to normal.

May the close relations of fraternal friendship and cooperation between our two countries further develop and remain intact eternally. May you, comrades, and the brotherly Lao people have the best of health and achieve new, still greater successes in the implementation of your noble tasks.

Message to Vietnam

BK2009095891 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 19 Sep 91

[Text] Comrade Hun Sen, chairman of the State of Cambodia's Council of Ministers, recently sent a message to Comrade Vo Van Kiet, chairman of the SRV Council of Ministers. The message says in essence:

I am greatly moved by your sincere fraternal sentiments for the people in some provinces in the State of Cambodia who faced natural disasters caused by floods. Your precious attention is a source of encouragement for the Cambodian people in overcoming the difficulties resulting from the unprecedented disaster to stabilize and normalize their lives.

I would like to express profound thanks to your fine sentiments and wish you good health and brilliant success in caryying out your noble task.

Thai Red Cross Gives Aid to Flood Victims

BK2009061691 Phnom Penh SPK in English 0442 GMT 20 Sep 91

[Text] Phnom Penh SPK September 20—The Thai Red Cross Society presented here on September 10 a consignment of emergency aid to the Cambodian Red Cross for distribution to the Cambodian flood victims.

The handover ceremony was held in Phnom Penh in the presence of Dr. Adirek Na Thalang, director of the relief division, and Dr. Surin Chaithachawong, head of the relief section of Thailand.

The relief worth 207,900 baht included blankets, clothing, and canned foods totalling 2,386.50 kilograms.

Also on September 10, the Thai government provided emergency aid worth 10 million baht (400,000 U.S. dollars) to the Cambodian flood victims.

World Vision Donates Flood Relief Aid

BK2009060891 Phnom Penh SPK in English 0444 GMT 20 Sep 91

[Text] Phnom Penh SPK September 20—The World Vision International (WVI) has donated 15 million riel

(Cambodian currency) worth of relief aid to Kompong Speu Province to help recoup the losses caused by the recent rain floods to the rice crop and bring life in the disaster area back to normal.

The consignment of relief was handed over at a ceremony in Phnom Penh Wednesday by David Chandler, deputy director of WVI in Indochina, and Samar Saisanker, WVI official in Phnom Penh, to Nguon Nhel, minister of agriculture, and Monh Kosal, governor of Kompong Speu Province.

In an agreement reached between the WVI and Kompong Speu Province, the WVI plans to grant the province 45 million riel for the restoration of the agricultural field destroyed by flood. The 15-million-riel sum, one-third of the WVI project, is for the purchase of rice seed.

According to the provincial agriculture service, the flood destroyed more than 5,700 hectares out of 62,100 hectares of rice planted in this monsoon season, and 1,400 hectares of cash crops in the province.

Of the more than 5,700 hectares of damaged rice, 1,360 hectares was in Samraong Tong, 490 hectares in the provincial capital, 1,050 hectares in Kong Pisei, 774 hectares in Phnum Sruoch, 685 hectares in Thpong, and 1,100 hectares in Bar Set.

The provincial authorities said Kompong Speu needed 572 tons of rice seed to regrow rice on the damaged 5,700 hectares and so far it has received only 127 tons from the Ministry of Agriculture.

The WVI also plans to assist the local farmers to cultivate cash crops and rice in the coming dry-season during which 2,000 hectares of such rice is expected to be grown in the district of Aoral, Samraong Tong, and Thpong.

Apart from the assistance to Kompong Speu, the WVI also donated 13 million riel worth of relief aid to the flood victims in Phnom Penh District, Kandal Province.

Laos

Government Decree on State Budget Centralization

BK2009051191 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 20 Sep 91

[Text] Recently, Prime Minister Khamtai Siphandon issued a nine-article decree on the fundamental principle concerning the centralization of state finance, budget, and treasury work.

The decree reads:

With reference to the Constitution of the Lao People's Democratic Republic, the resolution adopted at the first nationwide finance conference, and the decision reached by the government at its 16 August 1991 meeting to centralize the management of state finance, budget, and treasury work into a unified entity in accordance with the new mechanisms, the prime minister has issued the following decree:

Article 1. The implementation of all plans, policies, regulations, systems, laws, instructions, decrees, and decisions on the management of the state finance, budget, and treasury work must be centralized and unified at the central level. Only the (?government and) the Ministry of Economy, Planning, and Finance have the right to enforce these official documents in accordance with their roles and responsibilities and in conformity with the laws endorsed by the National Assembly. It is absolutely prohibited for any services and localities to arbitrarily implement their own systems, regulations, laws, resolutions, and decisions on the management of state finance, budget, and treasury work.

Article 2. The (?centers) for managing revenues and budget expenditures of all ministries, ministerial-level organizations, provinces, and municipalities are to be dissolved into a unified state budget body in accordance with the vertical-management system and through a single state account and treasury management system throughout the country. All revenues collected from all domestic and foreign sources in any forms must be integrated into the state budget. Budget expenditures of all central- and regional-level services must be linked to the budget expenditure plan endorsed by the National Assembly. It is absolutely prohibited for any central- or regional-level services to use revenues collected from any sources as expenditures for any specific tasks without passing through the process of the state budget plan.

Article 3. The preparation of the state budget plan must be centralized and unified. The Ministry of Economy, Planning, and Finance must act as the center for constructing such a plan by defining the targets of expenditures; consolidating, modifying, and balancing the budget plan; and summoning all services concerned to meetings to prepare the state budget plan before forwarding it to the government for approval.

Article 4. The budget plan endorsed by the National Assembly will become a law that must be strictly abided by and enforced by all central- and regional-level services. The Ministry of Economy, Planning, and Finance is in charge of organizing the implementation, management, and control of or adopting necessary measures for the enforcement of the budget plan throughout the country so as to ensure full collection of revenues and full utilization of expenditures in a timely manner as stipulated in the state budget plan. The central- and regional-level services have the responsibility to organize the administration of the budgets allocated to them and to report to the Ministry of Economy, Planning, and Finance in accordance with the timetable and regulations in a complete manner.

Article 5. The management of all state properties and accounts must be combined into a unified system throughout the country.

Article 6. The management of organizational apparatuses and finance cadres from the central down to the regional levels must be centralized as a unified unit under the direct responsibility of the Ministry of Economy, Planning, and Finance.

Article 7. The Ministry of Economy, Planning, and Finance is entrusted with the power to outline regulations, recommendations, methods, and measures in detail and to organize, guide, direct, control, and supervise the enforcement of this decree. The ministry must periodically report the outcome in organizing the implementation of this decree to the prime minister.

Article 8. All ministers, heads of ministerial-level organizations, provincial governors, and city mayors have the duty to strictly enforce this decree.

Article 9. This decree becomes effective on the day it is signed. All decrees, instructions, decisions, regulations, and laws that had been in effect previously but are contradictory to this decree will be superseded by it.

Party Officials Attend Seminar on Video Work

BK2009025191 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 19 Sep 91

[Text] The first seminar to assess the management and production of video cassette tapes over the past four years was held at the Ministry of Information and Culture under the chairmanship of Mounkeo Olaboun, member of the party Central Committee [CC] and minister of information and culture. Attending the seminar as honored guests were Oudom Khatthi-gna, Political Bureau member of the party CC and secretary of the party committee of Vientiane Municipality; Somlat Chanthamat, Political Bureau member of the party CC and head of the party CC Propaganda and Training Board; deputy ministers; and more than 40 cadres from many ministries, mass organizations, and services concerned.

In his address opening the seminar, Mounkeo Olaboun noted that in the past, the management and production of video cassttes as well as activities relating to this business have been considerably well executed. Nevertheless, certain negative effects have also been created by this business on the security, peace, and culture of Lao society. Therefore, at this seminar, the participants must try to adopt effective measures, methods, and direction to boost the video cassette production business by preventing the smuggling of obscene video tapes into the country for viewing. At the same time, cadres, state employees, soldiers, policemen, and the general public must be further educated to fully appreciate the influence of the materials contained in video cassette tapes on the life of our society and national culture, as well as on their own families.

On the basis of this development, members of the public are encouraged to take the initiative to give full cooperation to the authorities concerned to gradually halt an influx of obscene video cassette tapes into our country. The seminar will last for two days.

Philippines

Discussion of Referendum Controversy Continues

Drilon Interviewed on Referendum

HK2009030491 Manila Manila Broadcasting Company DZRH in Tagalog 0030 GMT 19 Sep 91

[Interview with Executive Secretary Franklin Drilon on "Liberty in Action" program with host Joe Taruc—live]

[Excerpts] [passage omitted] [Taruc] On this particular point Mr. Executive Secretary, many are saying that the provisions of Republic Act 6735 can be applied only on laws passed through legislation, unlike this rejection of the treaty, that there is a particular provision of the Constitution governing this.

[Drilon] That is what they are saying but from our point of view the action of our Senate—rejecting the treaty—is not an act of Congress. Our explanation is that if a treaty has been ratified by the Senate the treaty becomes part of the law. We have to respect this because that will have become part of the laws that we have to obey. So, this would have been in the nature of a law had it been approved by the Senate. So, the contrary must also be true because the Senate rejected it. The people have the power under Republic Act 6735 to reverse the Senate's decision because the people have the right to amend or reject, or to propose legislation. They can call for a referendum if they want, saying this is what we want. We do not agree with that executive order issued by, say President Aquino. We want to reverse this and we will go through an initiative and a referendum. [passage omitted]

You know Joe, over $363 million of aid lies in the hands of the Senate. As president of the country, President Aquino is thinking about what we can do for our brothers in Central Luzon. We do not have enough resources, money. There is $363 million committed to the Philippines by President Bush, but like here, the appropriation is by the Congress. So, due to the rejection of the treaty by our Senate, the perceptions of U.S. congressmen and senators who are our friends, is that the Philippines no longer wants to be their friends and no longer has a need for this $363 million. This amount means so much to our brothers in Central Luzon. And we will get this amount if we prove that we still want them to be our friends and we need help. Of course they will ask why would this not be given to us if there is no treaty? Maybe aid would still come but not as much because they are only human. Say you slap them and tell them to go away. Of course they will say, we will but if you approach us for help we will not give you $363 million, only $50 million. [passage omitted]

[Taruc] Mr. Secretary, you are aware of the filing of a resolution by two members of the U.S. Senate seeking the immediate pullout of their forces in the Philippines. Doesn't this make the government uncomfortable, because it is trying hard to retain the forces here while their Senate is asking for an immediate pullout?

[Drilon] Joe, the issue we are discussing here is not just the treaty on the military bases but a treaty on friendship, cooperation and security. So there may be two senators, which only tells us that our senators who are there now should constantly explain to them, as there are many senators, like us here, who have different opinions and we have to maintain our friendship.

[Taruc] Mr. Secretary, you should also be aware of a warning from Senate President Jovito Salonga that if the present administration insists on holding this referendum a constitutional crisis could be imminent. What is your opinion on this?

[Drilon] I do not see any constitutional crisis with this because this is our people's initiative. If our people think that a constitutional crisis may occur if this referendum is pushed through, then all we have to do is not sign the petition. So this is totally in the people's hands, not President Aquino's.

[Taruc] One other thing which Senate President Salonga said was that it is now time for the president to change the lawyers advising her. What is your reaction to this Mr. Executive Secretary?

[Drilon] Joe, we have our own opinions on every issue, especially this issue. This is a new law. This is a new policy. The only thing we ask of our colleagues is for us to debate the issue which is at hand alone, and not on personal things, because we do not have any personal interest here. With respect to President Aquino, what she is looking to is the interests of the nation. Let us avoid personal assassination since our debates have been getting serious. So let us keep the debate on the issue, on issues alone and not on personalities, because that will bring us nowhere.

[Taruc] Secretary Drilon, do you believe that if this proposal on a referendum is pushed through it could reach the Supreme Court or there will be questions of constitutionality?

[Drilon] We know that this could reach the Supreme Court. Article 6735 itself states that after the Commission on Elections decides to give way to a petition for a referendum, and if they declare that the petition has sufficient signatures to call for a referendum, this decision could be appealed at the Supreme Court under this article. What I can assure the people is that we will never take any move which could be considered as against the law, or the Constitution. We will abide by the Constitution because President Aquino, in her over five-year reign, will obey what the Supreme Court says. Two points Joe, first, they say why would you obey the decision of the Supreme Court when you don't the Senate?

[Taruc] Yes. That was one of the questions raised by Senate President Salonga.

[Drilon] You know Joe, there is a big difference between the Senate and the Supreme Court. The Senate is a political body. Their actions are political. A political act can be questioned by the executive branch because we are also another branch of government—a coequal branch. Their action is political in nature. But if the Supreme Court acts, that is the law. All of us have to abide by it. It is not good to say that all of the Senate's actions should be followed by the executive because we have a system of checks and balances. Our Constitution is based on the principle of checks and balances. Whatever action the executive does and Congress does not approve of, they can pass a law repealing such actions. Likewise, if they do something we are opposed to, then under our law, our Constitution, we can also do something to annul their act. That is the system of our government.

[Taruc] We have a lot of questions here Secretary. People say that if President Aquino is able to heed any decision by the Supreme Court why can't this be accorded to the same coequal branch of government, which is the Senate?

[Drilon] Like I told you Joe, the Senate is a political body and under our Constitution and system of government there is a check and balance between the two branches of government. But I want to add one thing. President Aquino listens to what the people say. How did this referendum come to light? First of all, this was suggested by Senator Rene Saguisag to President Aquino. Second, from the consultation we had with the multisectoral assembly, this was what she was told—to bring the issue to the people. Now, constantly, President Aquino listens to the people. There are instances when we make mistakes. I think our courageous senators can't say that they are always right. There are times when they commit mistakes. As citizens, we should admit our mistakes and make up for them. [passage omitted]

[Taruc] Mr. Secretary, maybe you have heard comments and talk by our legislators on the impeachment issue. How do you feel about this?

[Drilon] I can assure our people that we will not take any action that is against our Constitution and our laws. If there is any person in our country who is so conscious of obligations or restrictions under the Constitution it is President Aquino.

[Taruc] Secretary, Mrs. San Andres of Quezon City says: How can you say that the people are against the Senate's rejection decision when there is no demand coming from the people? It is only the president and her officials who are strong on this and they are only complicating the issue.

[Drilon] As I was saying, the prerequisite for a referendum is a petition by 10 percent. If there is no 10 percent demanding a referendum be held, there will be no referendum. [passage omitted]

[Taruc] Mrs. Tiongso of Malolos: If the referendum goes through and the result is that the pro-bases lose, won't the government say there was election fraud?

[Drilon] No. We trust our Commission on Elections who will conduct this referendum, if this is pushed through. [passage omitted]

[Taruc] Connie Selle of Quezon City: What should be done is to ask the people if they want a referendum or a snap election?

[Drilon] That is up to the people. [passage omitted]

[Taruc] We don't even know if the people want a referendum, yet we are already debating on the referendum.

[Drilon] That's right Joe. We don't know yet. If there is no 10 percent, or if any congressional district presents a vote less than three percent of its voters, then the referendum will not proceed. Let's say, Makati. This is one congressional district. If less than three percent sign the petition the referendum will not go through. This is what we are trying to explain. This is a people's initiative which requires a petition signed by 10 percent of total registered voters in the country, and three percent from each congressional district. If in Makati, which is a congressional district, the three percent was not obtained then the referendum will not proceed.

[Taruc] So if the people do not want a referendum they should not sign the petition.

[Drilon] Exactly Joe. They can even convince their friends not to sign the petition. [passage omitted]

'Some' of Cabinet Antireferendum

HK2009020191 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 19 Sep 91

[Text] Health Secretary Alfredo Bengzon has confirmed that some Cabinet members are not in favor of holding a referendum. Besides Bengzon, the three other Cabinet members who are against the referendum are Peter Garrucho, trade and industry secretary; Fulgencio Factoran, Department of Environment and Natural Resources secretary; and Rafael Alunan, tourism secretary. Bengzon admitted that not all of the Cabinet members are supporting President Aquino's plan for a referendum.

The secretary said, however, that the misunderstanding in the Cabinet is only a result of what is happening in the country. Although Mrs. Aquino instructed her 24 Cabinet members to avoid issuing statements on the issue, Bengzon believes that their positions on issues affecting national interest must also be heard by the people. At the same time, Bengzon expressed the belief that President Aquino should not go through with her plan to reverse the Senate's decision on the bases treaty by holding a referendum.

Aquino on Dissenting Cabinet Members

HK2009014291 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 19 Sep 91

[Text] Any cabinet member who openly opposes President Aquino's position on the bases treaty issue may now resign from their positions. This was President Aquino's warning in relation to reports that four members of her cabinet are strongly opposed to the proposed referendum which the chief executive has been pushing for. In a statement, Mrs. Aquino stressed that any cabinet member who is strongly opposed to the government's policies is free to voice his position in the meetings held in Malacanang. However, the president said that if a decision has been reached by the cabinet, they should only have one stand and one voice. According to the president, any member of the cabinet who cannot obey her policies may file his courtesy resignation in her office. Among the cabinet members referred to who have strongly opposed the referendum and the recall of the notice of termination to the United States are Health Secretary Alfredo Bengzon, Department of Environment and Natural Resources Secretary Fulgencio Factoran, Tourism Secretary Rafael Alunan and Department of Trade and Industry Secretary Peter Garrucho.

Court To Decide on Referendum

HK2009013291 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 19 Sep 91

[Text] Executive Secretary Franklin Drilon stressed that Malacanang will let the Supreme Court decide on the referendum issue in the midst of the different opinions that transpired regarding the holding of a referendum in order for the people to decide whether to approve or disapprove the retention of the U.S. military bases here in the Philippines. Drilon explicitly denied that cabinet members are divided regarding the issue of the referendum. The executive secretary believed that there will not be a constitutional crisis if the proposed referendum pushed through, unlike what some antibases senators feared. Drilon clarified that the government will not insist on holding a referendum if there are no initiatives coming from the people. According to Drilon the people have the right to be heard and voice their opinion regarding the issue on the bases treaty because this is connected with the national interest.

Aquino 'Might' Cancel Referendum

HK2009003991 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 19 Sep 91

[Text] Malacanang announced that President Aquino might abandon her plan to call for a referendum if the said proposal is not supported by the people. This was the reaction of President Aquino to numerous criticisms of her proposal calling for a referendum in order to change the decision of the Senate regarding the bases treaty. Mrs. Aquino said that she needs the signatures of about 10 percent of registered voters who agree to a referendum. Mrs. Aquino assured that if many of the people are against the referendum then there is no reason for her to enforce it. In a report Mrs. Aquino said that it is the people who will decide whether to have a referendum or not. Nonetheless Mrs. Aquino denied that she was being influenced by the United States to push for the ratification of the treaty. The chief executive explained that whatever the United States did or did not do has no bearing on the decision on what the Philippines does in fulfilling the initiative of the people. The president said the only thing that can influence her is the desire of the Philippine people and not other countries.

Stand on Referendum Said Unchanged

HK2009045591 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 20 Sep 91

[Text] Press Secretary Tomas Gomez III said there is no change in President Aquino's position regarding the issue of a referendum. Secretary Gomez issued the statement on his "Paglilinaw at Pananaw [Clarification and Opinion]" program on Radyo ng Bayan. Secretary Gomez made the statement in reaction to some newspaper headlines that President Aquino is allegedly softening her stand on the referendum issue.

[Begin Gomez recording] That is a wrong interpretation. Since the start, our president has been saying: I will obey the wishes of the people. This was the root of all of this anyway and so our president supported the Treaty of Friendship, Cooperation and Security because in all the surveys we had many months before, 70 to 80 percent of the Philippine people are in favor of this. But the 12 senators rejected it. The president believes that the Senate's decision is not in accordance with what the entire nation wants. But having said that, many people are also saying to our president why not ask the nation. This is what democracy is all about and it is stipulated in our Constitution that sovereignty resides in the people. [end recording]

Law Students File Petition

HK2009120191 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 20 Sep 91

[Text] Forty-four law students from the University of the Philippines filed a case against President Aquino because of her plan to hold a referendum. The students, headed by Councillor Francis Pangilinan of Quezon City and James Ronald Jose, filed a Petition of Declaratory Relief with the Quezon City Regional Trial Court. The petition states that the proposed referendum is a violation of the Constitution which could lead to the impeachment of the president.

They said that the American forces should start leaving the country because the Senate had already junked the bases treaty.

Mitra: 'Great Chance' for Signatures

HK2009132191 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 20 Sep 91

[Text] In the Lower House, House Speaker Ramon Mitra Jr. said that there is a great chance that enough signatures may be gathered in order to push through with the proposed referendum. Mitra was interviewed by Anna Soriano.

[Begin Mitra recording] If this starts, then we are part of this. If they start the write-in we, each congressional district, will help. I think that the 12 million [total as heard] signatures could easily be gathered. What is important is the requirement of three percent of the registered voters of each district—the Congressmen need to lobby for this. I do not think that there would be any problem in getting this three percent. In the municipalities alone, these can be gathered. [end recording]

Holding Referendum 'Pointless'

HK1809055691 Manila THE CHRONICLE in English 18 Sep 91 p 7

[Editorial: "Pushing Through With Referendum Is Pointless"]

[Text] Now that the Senate has voted to end the lease of the United States military bases in this country with an avalanche of words, it is time to put the bases issue behind us and look ahead. The Senate debate has been awash with emotional oratory about nationalism. Alas, words alone cannot give the nation the substance of sovereignty, which is what nationalism is all about. It's time to stop talking and to begin working hard. There is no gain saying the reality that the Senate vote has declared an end to nearly a century of subordinate relationship with the U.S. and of U.S. military presence in this country. But we have to pay the price of autonomy. These are the things that have to be faced right away, not next week, not next month, not next year, but right away, because, as a nation, we tend to overindulge in words which by themselves cannot, for example, turn the battered economy around.

The first consideration is that there's no point delaying the agony of biting the bullet by searching for dubious legal stratagems to overturn the Senate rejection of the treaty. The option of invoking the "people's initiative" provision in the Constitution is extremely tedious. It will throw back the issue to a process that can only prolong the division of the nation and prevent it from addressing immediately the problem of adjusting to the requirements of attaining relative political and economic autonomy.

Such an approach undermines the constitutional arrangements built on the concept of separation of powers and the system of checks and balances. Among a number of things, the nation needs institutional stability. Muscling in a referendum disturbs the process of attaining such stability.

The second consideration is that immediate plans are required to provide alternative employment for about 70,000 people employed at Subic base and for the conversion of base facilities into productive assets. The needs of 70,000 people, even though they are only a fraction of the workforce, for a decent means of livelihood cannot be ignored. It is true that the bases have not been an important factor in reducing significantly our high unemployment rate. High unemployment rate is a function of an economic policy that has failed to create enough jobs to catch the growing workforce. What is certain is that, if 70,000 people were thrown out of jobs, there would be more unemployment.

Thirdly, doomsday scenarios painted by pro-treaty supporters about economic dislocation are exaggerated. The economy has the resilence to absorb the shocks of adjustment in the short term. The economy will continue to grow—but very slowly with fewer resources to work on. But the economy will not collapse. Sources of economic aid and loans will not dry up. Donor countries, apart from the U.S. have their own national economic interests to promote. They have more autonomy in economic policy from the U.S. than what doomsday quarters predict. Although the U.S. is still a superpower, Its influence and power to impose its policy preferences have been reduced by the rise of an economically powerful Japan, Western Europe and even of the economic miracles of a number of little "dragons" of Asia. Broadening our multilateral relationship with the rest of the world can compensate for shrinkage of economic dependence on U.S.

Fourthly, there is a need to swallow bitter medicine in economic restructuring. The terms of trade and economic relationship of this decade leading to the next century are different from those in the 1960s. The economic idiom today is competitiveness, and this requires drastic economic policy change that will make this country competitive not only with developing countries but also with the advanced industrial countries. What was successful in the 1950s and 1960s—and we are referring to import substitution as a strategy for growth—is no longer useful because of the changed international economic environment.

Nationalism in this country has been used as an ideological justification for protectionism in which the socioeconomic elite derived immense benefit while the masses continued to suffer deprivation; poverty became more widespread and the economic and social gap between the rich and the poor has remained as wide as ever. Unfortunately, the nationalist idiom in the present debate remains that of the 1950s and the 1960s.

The new international economic environment, in which the Philippines must function, requires a redefinition of nationalism. Anachronistic nation-state nationalism, which underlines the arguments in the debate over the treaty, is a false god because it fostered the value of absolute nationalism, which, in the first place, has never existed in the real word. The nation was led to worship before this false god. Some countries that tried to adapt this concept through autarkic policies have stagnated and isolated themselves from the main currents which have propelled fast economic growth. Good examples are Burma and Albania. Nations that have achieved fast economic expansion have shed old nation-state nationalism and ceded some of their sovereign rights to regional economic and security arrangements.

One wonders whether the "nationalists," carried away by their own rhetoric, ever understood the hard reality that a nation must have economic strength before it can have even military or political power and can therefore impose its policy preferences over those of other nations.

The reason why up until now we are still yelling about independence and infringement of our sovereignty is that our nation has never formulated policies that resulted in the long-term strengthening of the economy.

Now that we are entering a new phase of relationship with the U.S. with the new proclamation of independence, the question of economic restructuring to gear up the economy to the rigors of international competition is knocking at our doors. Restructuring requires sacrifices. We are afraid that much of the sacrifices must come from the elites. The poor and the middle income classes have for so long borne most of the sacrifices thrust upon them by erroneous and insensitive economic and social policies. Now, the elites cannot evade this responsibility of sharing the pain that is required to make the economy strong. Many of them have vested interests in preserving the social order from which they have benefitted and which have ensured their privileges, influence and exercise of power.

It is easy to talk about independence and blame foreigners for our dependence if one lives in plush homes with swimming pools, air-conditioned rooms, platoons of servants and a motor pool. Much of the nationalist humbug has come from this class. The Senate vote means we have reached an important landmark. It ends the long era where nationalist rhetoric has driven the nation to seek for external explanations for our failures to achieve autonomy. Now, the rejection of the treaty forces us to be honest with ourselves and look for internal explanations. Let's see if the elites can respond to the need of sharing part of the economic pain required to gain real autonomy and independence.

Caucus Agrees on Quick, Orderly U.S. Departure

HK2009085591 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 20 Sep 91

[By Restie de Quiros]

[Text] The pro- and anti-bases senators have agreed on an expeditious and orderly withdrawal of the U.S. military bases in the country. In the senators' special caucus at Club Filipino this afternoon, [Senate President] Salonga said that they will still have to discuss in future meetings the details of the bases withdrawal. According to

Salonga, the issue on the referendum was not thoroughly discussed in their caucus, but when the Senate is unified once again, they will ask for a meeting with President Corazon Aquino. Salonga stated that they have not decided on how long the orderly and quick dismantling of the military bases would take.

[Begin Salonga recording, in English] We have all agreed on the principle of orderly, expeditious withdrawal. The details will be discussed in future meetings, which we shall schedule as soon as possible. [end recording]

Senators Propose Bases Stay Seven More Years

HK2009130091 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 20 Sep 91

[By Restie De Quiros]

[Text] Six senators submitted a proposal to the Senate to give the U.S. military bases seven years to withdraw. The senators who submitted the resolution were Senators Joey Lina, Leticia Ramos-Shahani, Ernesto Herrera, Vicente Paterno, Mamintal Tamano, and John Osmena. The six senators said that in order to ease the suffering of the Mt. Pinatubo victims, and since the Philippines is not yet ready with its bases conversion plan and any alternative on what to do with the military bases to be vacated by the Americans, the withdrawal of the U.S. military bases should only be executed after seven years.

In the resolution, the six senators said that our country is still facing several calamities and since the government is not yet ready with the conversion programs and alternatives to be undertaken when the military bases close, it is therefore necessary to give the military bases seven more years to stay in the Philippines.

Furthermore, the six senators also said that while the Philippine Government aims to eject the American military bases from the country, the Senate should consider that it would take 10 more years for the people to recover from their economic dilemma, especially those who were affected by the Mt. Pinatubo eruption.

Bush Reportedly Approves Compensation Payment

HK2009132291 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 20 Sep 91

[Text] Ambassador Emmanuel Pelaez, envoy to the United States, announced that U.S. President George Bush has approved a recommendation presented by some American officials regarding the continued payment of the compensation package to the Philippine nation, despite the Senate's rejection of the Republic of the Philippines-U.S Treaty of Friendship, Cooperation, and Security. In an interview with DZRH, Ambassador Pelaez clarified that the annual amount stated in the compensation package would still be given. The ambassador added that Senator Richard Lugar promised to do everything he can so that the United States will continue to help the Philippine people, particularly those affected by calamities. Here is Ambassador Emmanuel Pelaez' statement:

[Begin recording in English] However, I want to tell you that the State Department informed us that there was a meeting by the State Department officials and sent their recommendation to President Bush and President Bush approved the recommendation that the United States should continue to (word indistinct) the compensation package in the treaty for the first year. That's what the senators said too, specially Senator Lugar who said that he will do his part here in seeking continued support for the Philippines. [end recording]

Air Force Modernization To Go On Without U.S.

HK2009053791 Quezon City Radyo ng Bayan in Tagalog 0230 GMT 20 Sep 91

[By Tanny Rodriguez from "Malacanang Information Service"—in English]

[Excerpt] President Aquino was assured by Major General Loven Abadia, Air Force chief, that the Air Force could continue with the modernization program for the next 10 years even without the U.S. military assistance as a result of the Senate's rejection of the RP [Republic of the Philippines]-U.S. Treaty of Friendship, Cooperation, and Security.

Interviewed in Malacanang, Abadia told palace reporters that the program may be hampered but certainly not derailed in the absence of the U.S. support from the $203 million annual bases compensation which could have been acquired by the AFP [Armed Forces of the Philippines] as part of its modernization program. The Air Force chief said the U.S. support is only a small portion of their modernization programs. The bigger portion has to be allocated by Congress. Abadia also belied reports that the Air Force is fully dependent on the United States for its military hardware by clarifying that the Air Force has been buying all over the world from countries such as Israel, Austria, United Kingdom, and even Italy. [passage omitted]

De Villa: Army To Stay Neutral in 1992 Election

HK2009042291 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 19 Sep 91

[Text] Defense Secretary Renato de Villa says the Defense Department and the Armed Forces of the Philippines [AFP] will remain neutral in the coming 1992 elections. The assurance was made by De Villa after ordering all civilian and military employees of the defense department to be neutral and nonpartisan in the coming 1992 presidential election. De Villa stressed that the main responsibility of the Department of National Defense in the coming election, is to assure the security and stability of the country. The defense secretary warned that anyone who violated his directives would be given due punishment. At the same time, De Villa ordered General Lisandro Abadia, AFP Chief of Staff, to submit a report regarding the military's assessment of the security situation in the country in relation to the 1992 election. The general's secretary was given up to 15 October to submit a comprehensive assessment on the security situation in the Philippines.

Army Spokesman Confirms Abadia, Honasan Talk

HK2009015891 Manila Far East Broadcasting Company in Tagalog 0100 GMT 20 Sep 91

[Text] A military spokesman has confirmed that former Army Colonel Gregorio Gringo Honasan had secret reconciliation talks with General Lisandro Abadia, Armed Forces chief of staff, inside Camp Aguinaldo last week. According to the Army spokesman, Lieutenant Colonel Benjamin Enrile, Honasan was provided with a safe conduct pass for the meeting. This, he said, will help unite the fragmented military and convince top military rebels to surrender.

Military Denies Reported Abadia, Honasan Talks

HK2009125191 Manila Manila Broadcasting Company DZRH in Tagalog 0940 GMT 20 Sep 91

[Interview with General Emiliano Templo, Armed Forces deputy chief of staff for civil military operations and Colonel Benjamin Enrile, chief of Armed Forces of the Philippines (AFP) Public Information Office by Fernan Imberga and anchorman Joe Taruc—live, place not given; italicized passages in English]

[Excerpt] [passage omitted] [Imberga] General, on the efforts by our chief of staff to convince Colonel Gringo Honasan to surrender, I understand there was an initial dialogue between the two inside Camp Aguinaldo itself. How true is this report?

[Templo] It's good you asked this. To my knowledge and to the knowledge of the majority of those here in Camp Aguinaldo, the reported dialogue between the chief of staff and Colonel Greg Honasan inside Camp Aguinaldo is not true. What we know about officially are the talks between General Abadia and ex-Colonel Red Kapunan. *This was done last week also or early this week.* But General Abadia and Red Kapunan did not talk. [sentence as heard] I want to deny or clarify the report stating that they had a talk inside Camp Aguinaldo in a house of a general. This is not true.

[Imberga] Sir, the talk between Red Kapunan and General Abadia, where did this take place? Was it inside Camp Aguinaldo or outside?

[Templo] What I know was that their initial conversation was over the telephone. *Then later on, after a week,* they talked personally and *I think this happened in Camp Aguinaldo. But this was done with the full knowledge of the leadership in the Armed Forces of the Philippines.* But the reported talk with Greg Honasan, this is not true.

[Imberga] Thank you General Emiliano Templo, the deputy chief of staff for AFP Civil Military Operations. Colonel Benjamin Enrile is also here with us. He was the source of the report stating that Chief of Staff General Lisandro Abadia allegedly issued Gringo Honasan a safe conduct pass to enable the latter to move and communicate with the former. How true is this Colonel Benjamin Enrile?

[Enrile] Good afternoon to you and good afternoon, Joe. This thing about General Abadia giving a safe conduct pass for Greg Honasan is not true.

[Taruc] It was Red Kapunan who was given a safe conduct pass, wasn't it?

[Enrile] That is what all of us in the camp know. But on Greg Honasan, we have no knowledge on that.

[Taruc] So, the news that the two met inside Camp Aguinaldo in the past days is not true, Colonel?

[Enrile] There is no truth to that. Only Red Kapunan.

[Imberga] That is Colonel Benjamin Enrile, chief of the AFP Public Information Office in Camp Aguinaldo General Headquarters.

Further on Cease-Fire Violation Accusation

HK2009060291 Manila PHILIPPINE DAILY INQUIRER in English 20 Sep 91 p 7

[By Manny Timonera]

[Text] Iligan City—A suspected communist assassin gunned down a police officer as Muslim rebels ambushed and killed four soldiers in Central Mindanao.

Superintendent Reynor Gonzales, Iligan police chief, identified the slain officer as Senior Inspector Jose Clemente, 41, married, of the Lala police station in Lanao del Norte.

Gonzales said Clemente was leaving his house in Barangay Tibanga of this city at about 7 a.m. when he was shot at close range by a suspected New People's Army [NPA] assassin.

Clemente was rushed to a nearby hospital but was pronounced dead on arrival.

The assailant armed with a .45 cal. automatic escaped, Gonzales said.

The communist-led National Democratic Front, which includes the Communist Party of the Philippines and the NPA, declared a nationwide ceasefire a week before the Senate's rejection Monday of a new base treaty.

The military has accused the communists of violating their unilaterally declared ceasefire. Communist guerrillas have been fighting the government for 22 years in their struggle to set up a Marxist state.

In nearby Lanao del Sur, Muslin guerillas killed four soldiers of the 39th Infantry Battalion's Charlie Company in an ambush Wednesday at Barangay Mapantao in Lumba Bayabao town, about 72 kilometers south of Iligan.

Another soldier was wounded while another was believed captured, police said.

The identity of the fatalities were not immediately available.

The slain soldiers were transferred last week from Cotabato City to their new assignment in the province.

Muslim rebels have been waging a now largely dormant separatist war in Mindanao for 19 years.

Unemployment Reportedly To Hit 18 Percent

HK1709100891 Quezon City MALAYA in English 17 Sep 91 p 2

[By Shalom Mapagu]

[Text] Tagaytay City—The country's unemployment rate is expected to hit 18 percent by the last quarter of the year due to the continuing threats of lahar and mudflows even in areas not initially hit by Mt. Pinatubo eruption, and the unstable business climate expected to ensue from the rejection of the new bases treaty.

Labor Secretary Ruben Torres said this means that 4.96 million Filipino workers would be jobless by yearend.

Torres said based on this projection, the annual average rate of unemployment for 1991 would taper off at 15 to 16 percent, almost double than last year's average of 8.9 percent.

Francisco Floro, president of the Employers' Confederation of the Philippines, said the last quarter rate of unemployment can hit 20 percent, largely because of the fear that the country will not be a conductive area for new investments due to the expected loss of goodwill from the United States following the rejection of the bases treaty.

Torres said with such scenario, the annual average of unemployment will hit 18 percent for the whole of 1991.

Both Floro and Torres said while the country can weather the series of crises following the bases pullout, the quality of life is expected to further slide.

World Bank Loan Hinges on Faster Privatization

HK1909072991 Manila PHILIPPINE DAILY INQUIRER in English 19 Sep 91 p 18

[Text] The World Bank's disbursement of the remaining $50 million from the $200 million government corporate reform program loan hinges on an accelerated privatization program next year, INQUIRER sources in government said yesterday.

By the end of this year, the sources said that the World Bank had asked the Committee on Privatization (COP) to dispose of assets equivalent to 50 percent of the book value of the government-owned or -controlled corporations (GOCCS) already scheduled for sale.

As of end-June this year, the COP has so far sold 79 assets representing 43 percent of the book value of the GOCCS up for privatization.

The sources said that the World Bank requirement of 50 percent by the end of this year could easily be met if the planned sale of an additional 20-percent government equity in the Philippine National Bank (PNB) pushes through.

The World Bank loan for the government corporate sector was made available to the Philippines in 1989. It is a 20-year loan, inclusive of a five-year grace period, and carries standard variable interest rates determined by the Bank.

Among others, the program loan covers the privatization, consolidation, conversion to private non-stock status and transfer to departments or abolition of some government corporations.

Finance Secretary Jesus Estanislao, who is chairman of the COP, had emphasized the need to accelerate the privatization program.

He said the government was giving priority to this as part of its overall efforts to generate more revenues, especially with the projected losses arising from the Senate's rejection of a new base treaty.

The big-ticket items scheduled for sale this year include the additional PNB stock listing and the block sale of as much as 80 percent of the government's equity in the Philippine Airlines (PAL).

In the first half of 1992, big-ticket GOCCS up for sale will include the Philippine Associated Smelting and Refining Corp (PASAR), which has an asset book value of P [Peso] 5.4 billion; the Philippine Phosphate Fertilizer Corp, P5.4 [figures as published] billion; the National Steel Corp, P1.6 billion, and the Semirara Coal Corp, P1 billion.

In a plan drawn up by the COP last July, its target is to sell 85 GOCCS by the end of this year, representing 60 percent of the book value of these state-owned firms or more than what is being required by the World Bank.

As of June 30 this year the COP has remitted P15 billion to the national treasury. This represented the proceeds from the sale of government-acquired assets.

Minister: Revenue Shortage To Slow Spending

HK2009061291 Manila BUSINESS WORLD in English 20 Sep 91 pp 1, 7

[By Ma. Gertrudes M. Chavez]

[Text] Government will not accelerate disbursement for public expenditures despite the proposal of the National Economic and Development Authority (NEDA) because there are no sufficient revenues to back up spending, Finance Secretary Jesus P. Estanislao asserted yesterday.

At the same time, he said, it would be very hard to scrap the 5% import levy at this most crucial stage of the economy even up to next year without alternative revenue schemes. Both measures, Mr. Estanislao indicated, are incompatible as he stressed the urgency of the situation.

The rejection of the bases treaty meant an immediate loss of P [Philippine peso] 10 billion in potential revenues in 1992 from the bases. The finance chief pointed out that the P10 billion would have been used to fill in part of the P32-billion gap caused by the dearth of peso counterpart funds for foreign-assisted projects.

Earlier, NEDA Director-General Cayetano W. Paderanga, Jr. urged Government to step up public spending in order to stimulate economic activity. It doesn't make sense to continue underspending if the country is in the process of rebuilding the economy, he pointed out.

Continued cuts on spending could trigger an economic slowdown, the NEDA chief maintained, which could have a negative impact on employment generation and overall production.

The NEDA proposal came on the heels of Mr. Estanislao's statement, in a post-bases scenario, that Government should continue to delay the release of a total of P7 billion of public expenditures until after Congress passes the requisite revenue measures.

Mr. Estanislao said he does not object to increased spending of Government. "We could spend as much as P 100 billion...if we had the money. We can always aspire-...but aspiration is different from reality," the DoF [Department of Finance] official remarked.

Raising replacement revenue measures has become a Herculean task for the finance chief on account of Congress's firm stand against the enactment of new taxes. Congressman Hernando Perez, chairman of the ways and means committee, has time and again reiterated his no-new tax position.

However, Mr. Estanislao said he is not asking for new taxes but "simply revenue-enhancement measures." These measures include the simplified net income tax system (SNITS); restructuring of the transfer tax system; refinements to the value-added tax; finality of income taxes on compensation income; and such improvements in tax administration—higher penalties for tax evasion and creation of criminal tax courts.

In addition, he stressed that if the country does not keep track of its spending, there is a possibility the International Monetary Fund's economic program may go haywire. "We do not want a repeat of last year's third quarter folly when the Philippines failed to meet the IMF targets which led to the junking of the three-year extended fund facility," Mr. Estanislao explained.

What is important, he indicated, is for Government to stay within the programmed levels of spending. For the whole of 1991, national government's cash disbursements are targeted at P257.4 billion.

Varied Reactions

Government's cutback on spending has drawn varied reactions from various sectors.

A private economist from a medium-sized commercial bank who requested anonymity noted that restraint in public expenditures has affected the country's investment picture in the first semester this year. Real investments for the first six months dropped 21.9% in contrast to the 16% growth registered in the same period last year.

On the other hand, Jose Sarte Salceda, research director of Baring Securities, believes that any attempt of Government to spur growth at this time can result only in modest success. Perhaps, he said, it would be far wiser for Government to just concentrate on housecleaning and controlling fiscal slippages.

With respect to the import levy, Mr. Estanislao said he agreed with the observation of Trade and Industry Secretary Peter D. Garrucho, Jr. that the 5% import surcharge should be immediately scrapped for it can only discourage new investments.

But it all boils down to Government not having enough revenues to replace the levy, the DoF chief said. DoF estimates that for the rest of 1991 up to June 1992, revenues generated from the levy would amount to P26 billion.

Thailand

Prime Minister Previews Upcoming PRC Visit

BK2009014091 Bangkok BANGKOK POST in English 20 Sep 91 p 6

[Text] Prime Minister Anan Panyarachun said yesterday he intends to explore the possibility of expanding cooperation with China on all aspects during his visit to that country on Sunday.

The premier said he also wanted to inspect the industrial estates in Shanghai.

During the visit, Prime Minister Anan will meet his Chinese counterpart, Li Peng, which will be their first encounter. Mr Anan will also call on the general-secretary of Chinese Communist Party Jiang Zemin.

The Prime Minister said that Sino-Thai relations had always been cordial and that it had become a tradition for each Thai prime minister to visit China.

Commenting on the Cambodian problem, Mr Anan said a lot of progress had been made following the Supreme National Council meetings in Phatthaya and Beijing.

"There are no major obstacles now," he said, adding that a peace agreement could be reached in the near future.

Receives Former Envoy

BK1909133891 Bangkok Army Television Channel 5 in Thai 1230 GMT 19 Sep 91

[Text] Chai Zemin, former PRC ambassador to Thailand, along with a seven-member academic delegation paid a courtesy call on Prime Minister Anan Panyarachun at Government House this afternoon. The two sides discussed economic relations and international affairs during the meeting. Chai Zemin was the PRC's first ambassador to Thailand. He said that the Thai prime minister had contributed significantly to the promotion of good relations between the two countries over the past 16 years. The prime minister's upcoming visit to China next week will help to strengthen bilateral relations. Chai Zemin also said that the atmosphere of relations among countries in Southeast Asia has improved significantly following progress in the settlement of the Cambodian problem. China now has improved relations with Singapore and Indonesia and has reached a better understanding with Vietnam.

Foreign Minister on Results of SRV Trip

BK2009045191 Bangkok Radio Thailand Network in Thai 0000 GMT 20 Sep 91

[Text] The Foreign Ministry has acheived success in a visit to the SRV by the Thai foreign minister, especially concerning the talks on economic and investment cooperation between the two countries. Upon his return from the visit, Foreign Minister Asa Sarasin briefed reporters on the results of the trip yesterday evening.

[Begin Asa recording] To sum up the results of the trip, in laying the groundwork for bilateral cooperation, we signed an agreement to establish a joint economic commission to take care of cooperation in trade, investments, and tourism. The commission will be at the deputy foreign minister level. We also initialled an agreement on investment protection, which is very important for encouraging Thai businessmen to invest in Vietnam.

Among other issues, we had a three hour discussion on fisheries with our Vietnamese counterparts. We presented them with our draft agreement, and they also gave us their draft version. On this issue, they are seeking to establish a food processing industry. They want Thais not only to fish in Vietnam and take the fish back for processing in factories in Thailand, but also to operate additional industries relating to fishing there. Therefore, they urged us to seriously consider this matter to encourage Thai investors to invest in such businesses.

On the energy issue, we also made a concrete proposal. We submitted the proposal to the Vietnamese prime minister for his consideration. Energy cooperation is very important for Thailand and Vietnam. We think that there are several energy sources in Vietnam that we can afford to contribute to exploiting by providing know-how and investment. At the same time, what we would get in return is a supply of energy for consumption, particularly natural gas, for the next 50 years. We are paying special attention to this matter. They agreed to further consider our proposal.

We have estimated that they have wasted the equivalent of two billion baht a year in their exploitation of natural gas. We pointed out to them what benefits they would gain if they entered into a joint venture with us. We discussed this matter with the Vietnamese prime minister and he expressed great interest in it.

We submited our memorandum on energy cooperation to our Vietnamese counterparts, and they agreed to further consider the proposal. [end recording]

Meanwhile, Deputy Agriculture Minister At Taolanon added that both sides were satisfied with the results of the talks, which will pave the way for further cooperation between Thailand and Vietnam.

[Begin At recording] I consider our handling of the issue of the fishing crewmen, which has been a problem for a long time, the most concrete development. The Vietnamese Government has agreed to release 344 Thai fishermen from a Vietnamese province. I think this is a very good move; I also believe that we will release Vietnamese fishing crewmen detained in Thailand.

I think that our Agriculture Ministry and the Thai Government will not stop their efforts, because they desire all the Thai fishermen detained in Vietnam to be released. Thailand will have to quickly hold further negotiations with Vietnam on this particular issue, although the number of Thai fishermen remaining in Vietnam is not so large. We should consider various options to achieve this goal.

During the upcoming visit to Thailand by the Vietnamese prime minister, an agreement on fishing cooperation between the two countries is expected to be finalized. The agreement is expected to include the establishment of a joint venture and the exchange of the fishermen released from each country. I hope all of this will materialize soon. Finally, I would like to say that I am satisfied with the success of our visit to Vietnam. [end recording]

Improved Ties Viewed

BK2009131391 Bangkok MATICHON in Thai 20 Sep 91 p 8

[Editorial: "Thailand and Vietnam"]

[Text] Thailand and Vietnam are in the process of reaching better mutual understanding. Although the two countries have had diplomatic relations for more than a decade, we admit that relations between the two countries have not been very smooth. There has been mutual distrust and suspicion. However, the causes of misunderstanding have gradually disappeared and will probably be totally eliminated in the near future. The cold war period between the United States and the Soviet Union has ended. The new situation should help promote bilateral relations.

Foreign Minister Asa Sarasin visited Vietnam, where he held talks with Vietnamese leaders. He said that his visit had succeeded in removing misunderstanding between the two countries and in paving the way for the creation of better mutual understanding in a new era of relations between Thailand and Vietnam. The two sides agreed that Vietnamese Premier Vo Van Kiet will visit Thailand in October to open a summit with the Thai prime minister in order to discuss cooperation on economic and social development.

The cold war period has already passed. The current atmosphere is conducive for cooperation between countries in developing their respective national economies and in creating better living conditions for their peoples. Leaders and officials should adjust their thinking to meet the current situation. At present, it is not easy for one country to use military force to invade or occupy another country without a reaction from the international community. Proof of this is that Iraq was driven out from Kuwait by international forces.

It is time for Thailand and Vietnam to eliminate their mutual distrust and misunderstandings and turn toward cooperation for economic development. The two countries should remove all obstacles standing in the way of their bilateral relations, such as the arrest of Thai fishermen or the arrest of Vietnamese pirates or even the ban on selling strategic goods to Vietnam because Thailand previously viewed Vietnam as an enemy. The exchange of military attaches and the exchange of visits by military leaders will help create a better understanding.

Now, Thailand has the potential and is ready to assist Vietnam in developing its economy. This should be based on mutual benefit and a consensus that one side will not take advantage of the other. Both Thailand and Vietnam should be open and sincere toward each other. If the two sides can see the importance of developing their respective national economies to improve the living standards of the peoples—which will in turn contribute to regional peace and stability—then cooperation in development will certainly be better than competition in weaponry.

Asa on Ho Chi Minh Consulate, Business Ties

BK2009013391 Bangkok THE NATION in English 20 Sep 91 p A1, A2

[By Kunlachada Chaiphiphat]

[Text] Ho Chi Minh City—Foreign Minister Asa Sarasin yesterday assured Thai businessmen that the Thai Consulate-General and a commercial centre would be soon set up separately in Vietnam's southern city of Ho Chi Minh to encourage them to take the plunge into the risky business world of Vietnam.

Asa also urged Thais trading with Vietnam to adopt a new attitude of taking into consideration Vietnamese needs. Citing the warming relationship between the former foes he advised them not to go in just for quick profits.

Asa warned the businessmen not to hesitate to take advantage of the opening of the Vietnamese economy otherwise they would be beaten into second place by other foreign entrepreneurs.

The minister said Thailand had now come to realize that Vietnam wanted downstream industries in all fields and in particular—the fisheries industry.

"This industry is bound to cause headaches to both sides. We must clean our house and please bear in mind that we must ensure that they too (Vietnam) benefit from the ventures", said the minister.

"The government will protect you ... but please adopt a give-and-take attitude," Asa told a group of Thai companies which currently operate joint ventures in fishing and related downstream industries, electronics, banking and consumer products with state enterprises, gathering in Ho Chi Minh City on the last day of his three-day trip to Vietnam.

Representatives of Sarat Canning, Thai Military Bank, Charoen Phokkaphan, Thai Photchanakan and some other smaller enterprises were present at the meeting.

During his two-day stay in Hanoi, Asa and his Vietnamese counterpart Nguyen Manh Cam has agreed that consulates-general of both countries will be set up on a reciprocal basis. The Thai side will occupy the old Thai embassy in Ho Chi Minh City. While Vietnam will soon identify the location.

Ho Chi Minh Communist Party Secretary Vo Tran Chi also assured Asa during their meeting at Reunification Hall here that he would fully back Thailand's effort to set up the consulate-general's office in the city.

Vietnam previously demanded a site on Thailand's northeastern province of Udon Thani, which houses various military installations. But dropped it after Asa made it clear to the Vietnamese side, the site was considered sensitive to Thai security.

Thai Ambassador to Vietnam Saraphong Chaiyanam said he would ask the Vietnamese to choose the site for their consulate-general as soon as possible.

Asa yesterday also dismissed a statement made by Deputy Chairman of National Peace Keeping Council

Suchinda Khraphrayun that Vietnam still posed a security threat to Thailand "The security threat no longer exists." He told reporters on his arrival at the military airport.

Prior to this Asa told Thai businessmen that the bilateral relations have come to the stage that both could dispel their past mutual mistrust and misunderstading. "Now we can talk it out instead of avoiding each other," he said.

The Director-General of the Department of Export Promotion Oranut Osathanon who also accompanied Asa to Vietnam said the Commerce Ministry's proposal on setting up a trade centre in Ho Chi Minh has been forwarded to the government for approval.

She hoped the centre could be set up by the end of they year. Now the ministry was looking for a site in the heart of the city where business activities were lively, she said.

"With the agreement on the protection and promotion of investment due to be signed, Thai businessmen should now have more confidence", said the director.

The consulate will facilitate trading partners in their business transactions and protect Thai interests in Vietnam. While the trade centre would be a source of information on the economy and provide advice for Thai traders there.

Most of the representative of the companies voiced the same call for the Thai Military Bank to open a branch in Vietnam as soon as possible to provide full banking services to both Thai and Vietnamese traders to facilitate trade.

Praphatson Chintakanon, vice president of the Thai Military Bank said the stage of applying for the opening of branch was in its final steps. Only technical details were yet to be threashed out. Vietnamese banking laws call for a registered capital of US$15 million for foreign banks to set up branches.

During his two-day say in Hanoi, Asa and Nguyen Manh Cam signed an agreement covering the formation of a joint commission on economic cooperation and intialed an agreement on the protection and promotion of investment which will be signed during Premier Vo Van Kiet's visit to Bangkok set for the later half of October. The Thai side also expected a fisheries agreement to be concluded by them.

Chawalit Accepts Invitation To Visit UK

BK2009014791 Bangkok THE NATION in English 20 Sep 91 p A1, A2

[Text] The British government recently extended an invitation to New Aspiration Party (NAP) leader Gen Chawalit Yongchaiyut to visit Britain in what is seen as a move replete with political ramifications, informed sources told THE NATION yesterday.

Chawalit has accepted the invitation in principle but the actual dates of his trip have yet to be worked out.

In a letter dated Sept 3, British Ambassador Ramsay Melhuish extended the invitation to Chawalit on behalf of the British government. The envoy suggested that the visit take place this year.

However, NAP sources said that the trip might take place either in April or May after the general election.

"The invitation is under consideration. Gen Chawalit is, however, very honoured by it and agreed in principle to visit the country if he is free of other important engagements," said an informed source who asked not to be identified.

The invitation is part of the Foreign and Commonwealth Office's programme to give senior figures from other countries a chance to familiarize themselves with British policy, its institutions as well as the way of life in the country. The itinerary of each visit would be determined by the specific interests of the particular visitor, the sources said.

The Foreign and Commonwealth Office will sponsor all accommodation and travelling expenses inside Britain as well as the return air ticket.

Analysts see political implications in the invitation, given Britain's stand on the early restoration of the parliamentary system in Thailand. The West is unhappy with the political setback caused by the Feb 23 coup to oust the previous elected Cabinet accused of turning a blind eye to widespread corruption.

Tipped as a candidate for the premiership, Chawalit has voiced strong criticism against the coup and is now spearheading a campaign against the constitution being considered by the military-appointed National Legislative Assembly.

In another development, Canadian Ambassador to Thailand Arthur Perron yesterday called on Democrat leader Chuan Likphai yesterday to hear the leading politician's views on Thailand's development and the draft of the new constitution.

The ambassador had earlier this week met NAP secretary-general Sqn Ldr [Squadron Leader] Prasong Sunsiri for similar discussions.

Need for Regional U.S. Military Base Questioned

BK2009094891 Bangkok MATICHON in Thai 18 Sep 91 p 8

[Editorial: "The End of the Cold War"]

[Text] The Philippine Senate has voted to ask the United States to close down its military base in the Philippines after the lease agreement terminates this year. However, the senate's vote was marginal—12 to 11. It seems that there is a political problem in the Philippines because

President Corazon Aquino supports the presence of the U.S. base in the Philippines. She has announced her intention to solicit signatures from the people in a referendum to determine the future of the base.

Previously, the presence of the U.S. military base in the Philippines was understandable and reasonable because of the concerns over security and stability in Southeast Asia. There was a competition between communism and liberalism. The Soviet Union also had a military base at Cam Ranh Bay in Vietnam. But, now the situation has changed. The Soviet Union has withdrawn its troops from the Cam Ranh Bay. The Communist Party of the Soviet Union has also lost its power, and the cold war in this region has ended.

Moreover, the countries in this region are concentrating on economic development. China and the Indochinese countries are all emphasizing national development. Judging from these new conditions, there is no need to maintain the U.S. military base in this region because there is no longer any threat to regional security. In addition, it will also be unnecessary for the countries in this region to increase their military budgets. Instead, they should generate national budgets for economic development, which will also help establish security.

The Philippine Senate supports the withdrawal of the U.S. military base because it believes that the cold war has ended and the Philippines will really become free. Foreign forces have been in the Philippines for decades. President Aquino argues that the presence of the U.S. military base in the country will enable the Philippines to receive assistance, and it can especially use assistance to help modernize its military forces.

Judging from the economic viewpoint, we sympathize with the Philippines which needs assistance from the United States. However, the developed countries should also sympathize with the Philippines if Aquino wants to develop the country's economy and agriculture. It would then be unnecessary for the Philippines to depend on the money obtained from the lease of the U.S. military base to modernize its military forces. This is the end of the cold war, and it will not be so enjoyable for weapons manufacturers and merchants.

Suchinda Not To Enter Politics, Run in Election

BK1909032191 Bangkok BANGKOK POST in English 19 Sep 91 p 6

[Text] Army chief Gen Suchinda Khraprayun told the BBC in London yesterday that he would not enter politics or run in the general election, but insisted this would be different from accepting the post of prime minister.

The National Peacekeeping Council [NPKC] vice chairman also told the BBC's Thai Service: "I will not enter politics and I will absolutely not run in the election."

Asked if this meant that he could not accept any political post, including a Cabinet seat or the post of prime minister, Gen Suchinda replied: "There is a difference between not entering politics and (accepting) political posts."

The general did not explain what the difference was.

Gen Suchinda said he could not say at present whether or not he would accept such "duties" because it depended on the "situation and environment" at the time.

"If I see that I can do something for my country, no matter how much I have to sacrifice, then I will do it," Gen Suchinda said.

He denied that there were any problems between the junta and the Anan Panyarachun Government.

"I don't know where they get such news from," the general said.

He said that the NPKC and the Government have separate duties under the interim constitution and that they pursued their duties independently.

Although the NPKC is supposed to consult with the Government, in matters of administration the Government has full power and does not have to worry about the NPKC.

Gen Suchinda said that one reason he seized power was to resolve issues that could not be tackled under normal political channels like barring state enterprise unions from strike action.

He also denied there was conflict between the military and the Government over the former's request for a bigger defence budget which was denied by the Anan administration.

"We requested it during the former Chatchai administration. The Air Force has a project to buy planes, the Navy to buy ships and the Army to buy tanks. We requested what was necesary. But the Government says it has no money, so it has no money," he said.

Gen Suchinda said the NPKC has to admit that it could not do as many things as it would like to have done because of the democratic nature of Thai society.

"We have to listen to the majority. If we wanted to do things by our own heart then we would use strict measurs. But we have to listen to everyone and try to convince them of our method," Suchinda said.

Asked what it was that he could not do, Gen Suchinda replied: "I can't say. If I did I would get into arguments with politicians."

He said that during his official visit to Czechoslovakia, Poland and Hungary, he was told that they wanted to use

Thailand as the door for business dealings in Asia and Southeast Asia. This should benefit mutual trade, the general said.

Gen Suchinda said that these three East European countries have some two million unemployed out of a combined population of 30 million and he was asked if their people could seek employment in Thailand.

Gen Suchinda said that personally he saw no problems since Thailand lacks engineers, especially for the Eastern Seaboard Development Project, and the three former communist countries are known for their ship building expertise.

These three countries also have a lower cost of living and so their chances of coming to work in Thailand should be good, he said.

Assembly Passes Fiscal 1992 Annual Budget Bill

BK2009064691 Bangkok Radio Thailand Network in Thai 0530 GMT 20 Sep 91

[Excerpt] The National Legislative Assembly [NLA] approved the draft budget of annual expenditures for fiscal year 1992 with a total budget of 460,400 million baht in the third reading this morning.

During the second reading deliberation, the 35-member committee trimmed down the proposed original budget by 2,820 million baht before forwarding it to the NLA for final approval. [passage omitted]

Labor Department Upgraded to Ministry Status

BK2009020391 Bangkok BANGKOK POST in English 20 Sep 91 p 6

[Text] Interior Minister Itsaraphong Nunphakdi yesterday signed a bill to upgrade the status of the Labour Department to that of a ministry.

The bill was yesterday forwarded to the Office of the Secretariat of the Prime Minister.

Labour Department Deputy Director-General Prasit Chaithongphan said he expected the bill to be passed into law as a New Year's gift to the labourers.

Under the bill, the Ministry of Labour will consist of three departments: the Employment Promotion Department, the Labour Service Department and the Office of Social Security.

Initially, the new ministry will need an operating budget of 19 million baht, said Mr Prasit who, however, added that there is no need of new recruitment apart from limited top posts because officials from the Labour Department and the Office of the Social Security would be transferred to the ministry.

A permanent secretary, two deputy permanent secretaries and one director-general will be appointed, said Mr Prasit.

Army To Publish Newspaper To Counter 'Rumors'

BK2009015691 Bangkok BANGKOK POST in English 20 Sep 91 p 5

[Text] The Royal Thai Army is preparing to publish an internal tabloid newspaper to "explain rumours, news, newspaper columnists and articles" which are published in newspapers and mention the Army in a bad way, sources said.

The Army newspaper is to be called ARMY NEWS, although technically it will be an "internal news document."

ARMY NEWS will take the form of a tabloid newspaper in layout, headline, pictures, columnists, and articles, the source said.

Its aim is to circulate news and answer charges made against the army in the private press, sources said.

The sources said there will be a special column to criticise the private press and "introduce" the history of columnists and editors in major newspapers.

Sources said the Army's top brass "agrees strongly" with the need for the establishment of such a newspaper because its personnel should know more about the army than what is printed in the daily newspapers.

ARMY NEWS will be published every three days, and will be printed for the first time on the 27th of this month.

The sources said the newspaper will be distributed free of charge to all army units and outsiders such as officials of the various ministries and private companies.

Initially, copies will also be sent to the editorial departments of all newspapers and news agencies, sources said.

Vietnam

Vo Van Kiet Denies MIA's Used for Leverage

BK2009063591 Hanoi VNA in English 0029 GMT 20 Sep 91

[Text] Hanoi VNA sept 20—Chairman of the Council of Ministers Vo Van Kiet received here Sept. 18 Steven Baker and Frank Hawke, respectively director general and vice-director general of the Asian-Pacific branch of American Citibank.

The Vietnamese leader expressed his satisfaction at Citibank's recent activites in Vietnam within the framework of the US Government's permit and welcomed Citibank's and American companies' intention to develop their long-term cooperation with Vietnam when conditions permit.

For their part, the Citibank officials spoke of their worries about being later in mutually beneficial cooperation with Vietnam than other foreign banks, due to the U.S. Government's embargo against this country.

When the Citibank officials referred to the U.S. public opinion about the MIA issue Chairman Vo Van Kiet affirmed: Vietnam, prompted by humanitarism, has never used the MIA issue as a politicial instrument. In that spirit the Vietnamese Government made and will continue to make great efforts to help MIA relatives as well as tens of thousands of Vietnamese families in the search for the remains of their relatives missing during the war.

Foreign Minister Interviewed on China Visit

BK1909134591 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 19 Sep 91

[Interview by station correspondent Quy Li with Foreign Minister Nguyen Manh Cam about the results of the minister's China visit—recorded]

[Text] [Quy Li] Dear Comrade Minister, would you please give us your impressions on your recently concluded China visit?

[Nguyen Manh Cam] We have just successfully concluded an official visit to China at the invitation of Chinese Foreign Minister Qian Qichen. The visit has impressed us profoundly. This was the first official visit to China of our foreign minister, not only after 12 years of abnormal bilateral relations but also after a long time. This visit officially started the process of the full normalization of relations between the two countries. Through talks with the Chinese leaders and local contacts at the grass-roots level, we realized that China has the same sincere aspiration as do we, which is how to normalize and improve the bilateral relations in order to have peace for national development and, at the same time, to contribute to the consolidation of regional peace and stability. We also realized that the Chinese people have always preserved their heartfelt sentiment toward our people and they all expressed their pleasure at knowing that the bilateral relations have been normalized again. We took the road from the Friendship Gate through Nanning and Kwilin to Beijing and we witnessed very great changes in China. We must say that the cities, especially Beijing, have been rebuilt very beautifully. The life of the peasants and the people as a whole has improved. The rural areas have been renovated. We can say that the working atmosphere is very lively. And we consider these results to be very important achievements of the lines of reform and openness. These lines have changed the face of China.

[Quy Li] Before the profound changes in the world, public opinion at home and abroad paid very keen interest to the improved Sino-Vietnamese relations. What do you think are the new characteristics of these relations ?

[Nguyen Manh Cam] We have to say that both China and Vietnam want to have a peaceful environment for developing their individual countries. This represents a deep-rooted aspiration and also the fundamental interests of both countries. These interests are not only of the two countries but are commom to all the countries in the region. The normalization of Sino-Vietnamese relations does not in any way affect the development of the relations of friendship and cooperation of each individual country with other countries, but it contributes to the consolidation of an atmosphere of regional peace, stability, and development. Under these new conditions, bilateral Sino-Vietnamese relations should be described as relations of friendship and neighborliness based on the principle of peaceful coexistence. In this spirit, we will make every positive effort to develop and improve our relations with China. At the same time, we are also developing our cooperation and relations with all other countries, primarily Southeast Asian countries, so as to help create an environment of peace, stability, and development in the Asia- Pacific area. With our foreign policy, it must be said that we are ready to have relations with all countries on the basis of respect for each other's independence and sovereignty, equality, and mutual benefit. This policy has received the sympathy and support of broad segments of the international public.

[Quy Li] Would you comment on the prospects for Sino-Vietnamese relations?

[Nguyen Manh Cam] I firmly believe that Sino-Vietnamese relations in the future will be very good. All of us are probably elated awaiting the official visit to China of our party and state delegation. This visit will mark the full normalization of relations between the two parties and the two countries. At the same time, it will turn a new page in the history of Sino-Vietnamese relations. Vietnam and China must be described as very close geographically. We share many common points in terms of culture, mores, and customs. The economic standards of the two countries are not very different. We can supplement each other on many points. As a result, there is a basis on which to develop cooperation in many domains. I am convinced that the traditional friendship between the peoples of the two countries and their cooperation for mutual benefit will develop constantly and rapidly.

[Quy Li] Thank you, Comrade Minister.

Army Daily on Anti-Lenin Move in Soviet Union

BK1909145591 Hanoi Voice of Vietnam Network in Vietnamese 1400 GMT 17 Sep 91

[Quang Loi's Commentary: "Bullets Shot at the Past" in recent issue of QUAN DOI NHAN DAN]

[Text] The drastic changes in the Soviet Union in the wake of the events of 19 August are driving the politicosocial situation in this large country into disastrous turbulence. The Soviet people and all their friends in the world want perestroyka to succeed. However, what has happened and is now happening in the Soviet Union ? What has spoiled the yeast of the initial dream about perestroyka, the biggest revolution in peacetime.

Every nation and every country has its own past to be proud of. After all considerations, this is the core of patriotism, which gives people strength to make contributions and, if need be, to sacrifice their lives for the country.

The Union of Socialist Soviet Republics over the past 70 years has been a cause of pride for numerous generations of Soviet people and of the oppressed and enslaved laboring people all over the world. This does not mean that all that took place during that period in that country was fine. Serious mistakes were made by that country that led to periods of sufferings in its history. In particular, the pre-World War II period caused considerable panic to many Soviet people. This is a painful historical truth that should be talked about clearly; and on this basis lessons can be drawn out for posterity.

In the new anticommunist storm following the episode of 19 August in the Soviet Union, many acts have been taking place that have had a paralytic effect on the feelings and honor of those who have struggled their whole life for a noble ideal and for the people's happiness. Only two days after the events of 19 August, Lenin's statue in some republics was pulled down and trucked away amidst the acclamations of highly incited mobs. And Lenin's large statue at the October Revolution square would almost have been pulled down if Moscow Mayor (Kokov) had not prevented it under the pretext that Lenin's statues still had artistic value in addition to their historical value.

There was also a hue and cry for Lenin's corpse to be removed from the square. If the excited atmosphere had not been dispelled, one could not have been so sure that what was mentioned above would not have been carried out. Lenin's museums in many places, including Moscow, have closed. Many papers of the Western press carried a large photo showing the statue of Dzerzhinkskiy, a revolutionary of Lenin's time, being pulled down, and a group of youths trampling on the forehead of the statue of that leader.

On one afternoon in late August, a Soviet colleague had a short close talk with me. Unable to control his indignation, he said: Last night, Russian television showed an extremely offensive scene. An artist drew out of his pocket a Communist Party membership card, burned it and put the ash in a cigarette ash tray with a satisfied air as if he had just got rid of a terrible epidemic. The aforementioned deeds, though spontaneous and unorganized, were all bullets shot at the past.

The past can not be viewed separately from historical junctures. All doctrines and ideologies are creative products of a historical period carrying values that can last forever, while some other values might gradually lose their epochal significance. So stated, how can we demand that people of long ago in history should have acted and thought like people of today's nuclear, space age? Although the examination and study of history should be made with a critical attitude, it must be in the spirit of treasuring the preceding generations, because without them and even without their mistakes, today's undertaking would be impossible.

All those smearing and blackening acts to reject history in some countries have not only stirred up indignation among communists and progressive people who know how to respect honor, but have also flabbergasted many people in the Western world. Everyone knows that the Emperor Napoleon was an aggressor who caused disasters to many countries and nations in Europe and other continents, but very few French people would feel comfortable when somebody insulted Napoleon. Also, King Louis XVI was executed during the French bourgeois revolution, but now what is left of this king is still preserved carefully in France, as having precious cultural and historical value. After its reunification, even Germany also pledged to preserve intact all historical monuments related to World War II in Germany.

Sometimes, acts of ideological revenge can be understood, but attacks on the past with an ungrateful attitude toward preceding generations can not be accepted nor tolerated. This is an attitude toward ancestors, history, and culture. If you shoot at the past with a pistol, your future will be shot at by an artillery gun. May this warning awake the conscience and reason of many people! This fever will quickly cool down just like my Soviet colleague told me. After three terrible days in August, the line of visitors to Lenin mausoleum remains longer, with fresh flowers filling the mausoleum gate. Such a picture has created warm and sincere emotion and respect, allowing people to hope. Many people in this line openly expressed their viewpoints: Lenin is part and parcel of our history.

The Soviet Union is in a cruel turning point of history. Clouds of dust will settle down. History and culture will regain their worthy significance in the hearts of millions of Soviet people.

Le Van Triet, Economic Delegates Visit Thailand

BK1809153291 Hanoi VNA in English 1454 GMT 18 Sep 91

[Text] Hanoi VNA Sept. 18—A delegation of the Vietnamese Government economic delegation led by Le Van Triet, minister of trade and tourism, paid a visit to Thailand from September 14-17. On Sept. 17, minister Le Van Triet had a working session with his Thai counterpart, Amaret Sila-on, the two sides discussed measures to promote economic and trade relations and looked into the possibility of increasing investment between the two countries.

The same day, the Vietnamese delegation paid a courtesy visit to Thai Prime Minister Anan Panyarachun.

Chiang Mai Picked as Site for Thai Consulate

BK1909024391 Bangkok BANGKOK POST in English 19 Sep 91 p 3

[Text] Hanoi—Vietnam has agreed to drop Udon Thani as a potential site for its Consulate General in Thailand in favour of the northern city of Chiang Mai.

"In the spirit of mutual trust and confidence, and taking into account Thai interests and concerns, we would choose the location (for the Consulate General) that is acceptable by both sides," Vietnamese Foreign Minister Nguyen Manh Cam said at a joint press conference with his Thai counterpart Asa Sarasin here yesterday.

The switch in venue constitutes a significant development that will speed up the process of opening the Thai Consulate General in Ho Chi Minh City, the economic hub of Vietnam.

Vietnam's compromising gesture in this issue is among other crucial developments that opened a new era in Thai-Vietnamese relations.

Sources confirmed that Vietnam had dropped Udon Thani although the Vietnamese foreign minister declined to specify why.

Due to the problem of reciprocity, Thailand had been reluctant to open its Consulate in Ho Chi Minh City which, until now, could only be possible in exchange for a Vietnamese one in Udon Thani.

Despite the ever-growing interests of the Thai business sector in Ho Chi Minh City, the Thai military expressed opposition to Vietnam's proposal to open the Vietnamese consulate in Udon Thani.

"Thailand tried to convey the message that Udon Thani is a sensitive choice, and this gesture of compromise is indeed encouraging," said National Security Council Chief Suwit Suthanukun, who is also in Mr Asa's delegation.

Thailand recommended that Chiang Mai would be a good place for the Vietnamese Consulate General because the city is in a prosperous province. An informed source told the BANGKOK POST that consular officials of both sides will pursue detailed consideration.

"We will try to work out a progress," in this issue between now and the visit of Vietnamese Prime Minister Vo Van Kiet to Thailand next month, the minister said.

Thailand has an embassy in Hanoi, and maintains the former Thai Embassy in Ho Chi Minh which is ready to be used as the consulate office.

Earlier this year, the Cabinet approved the appointment of a Thai commercial counsellor to Vietnam, who should be positioned in Ho Chi Minh city to monitor trade and economic activities.

Improved Relations With Thailand Reviewed

BK1909140791 Hanoi Voice of Vietnam Network in Vietnamese 0015 GMT 18 Sep 91

[Station correspondent Kien Nam's article on Vietnam-Thailand relations]

[Text] During his years in office, former Thai Prime Minister Chatchai, on many occasions, said that efforts to improve relations with Vietnam was one of his foremost tasks, and that he was ready to visit Hanoi when the political atmosphere improved or after the visit to Vietnam by former Thai Foreign Minister Sitthi Sawetsila.

At the invitation of the Vietnamese Government, Foreign Minister Sitthi Sawetsila paid an official visit to Vietnam on 9-12 January 1989. During that time, press circles stressed that the visit was a historic event because it was the first visit to Vietnam by a Thai high-ranking official in 13 years. This was further emphasized by the Vietnamese and Thai Foreign Ministers in their joint news conference in Hanoi when they said that relations between the two countries have entered a new stage and become a significant factor positively contributing to the development of the friendship, cooperation, and good-neighborliness between the two countries, especially in the efforts to find a political solution to the Cambodian problem.

In his official visit to Thailand at the invitation of the Thai Government during 28 February-4 March 1989, former Vietnamese Foreign Minister Nguyen Co Thach held talks with his Thai counterpart on the Cambodian issue, measures to strengthen friendship between the two countries, and plans to promote cooperation between countries in the region, especially in the Cambodian postwar period. Returning from an official visit to Vietnam on 22-25 November 1989, former Thai Deputy Prime Minister Phichai Rattakun said that Thailand and Vietnam had reached agreement on various economic issues, including the establishment of a joint fishing venture, and that the developed relations between the two countries will lead to the establishment of the Vietnamese- Thai joint committee for economic cooperation to handle economic issues between the two nations. In his official visit to Vietnam on 26 March 1990, General Chawalit Yongchaiyut, acting supreme commander of the Royal Thai Armed Forces, expressed the hope that future relations between the Thai and Vietnamese Armies will be a basis for bilateral relations in all fields of the two nations. A Vietnamese high-ranking military delegation led by General Doan Khue paid an official visit to Thailand from 28-31 May 1990 at the invitation of General Sunthon Khongsomphong, supreme commander of the Royal Thai Armed Forces. On 7 June 1991, a Thai high-ranking military delegation led by General Sunthon Khongsomphong paid a return official visit to Vietnam. During the visit, General Sunthon stressed the necessity of strengthening cooperation between Thailand and Vietnam and asserted that he would do his best to consolidate and develop the relations between the peoples and Armies of the two countries.

At the seminar on relations between Thailand and Indochina organized in Bangkok in April 1989, former Thai Prime Minister Chatchai said: Someday in the future the Mekong River will not be a partition line between rivals, but will serve as a common waterway of friendship and cooperation between countries in the region. The proposal on estabishing a joint committee for economic cooperation with Vietnam made by Prime Minister Chatchai a year ago is being implemented by the current Thai Government of Prime Minister Anan Panyarachun. Moreover, efforts have already been made to expand Thai-Vietnamese cooperation in the economic, trade, and investment fields.

Thai Foreign Minister Asa Sarasin, in his upcoming visit to Vietnam, will sign a protocol on establishing a joint committee for cooperation between Thailand and Vietnam.

'Text' of Joint Communique With Thailand

BK2009100591 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 18 Sep 91

["Text" of Vietnam-Thailand Joint Communique on Thai Foreign Minister's Visit to Vietnam]

[Text] 1. At the invitation of SRV Foreign Minister Nguyen Manh Cam, His Excellency Asa Sarasin, Foreign Minister of the Kingdom of Thailand, officially visited the Socialist Republic of Vietnam from 17 to 19 September 1991.

2. During his stay in Vietnam, Mr. Asa Sarasin and his suite laid a wreath at the Ho Chi Minh mausoleum and toured the residence and office of late President Ho Chi Minh, and some economic installations in Hanoi and Ho Chi Minh city.

3. His Excellency Asa Sarasin paid a courtesy visit to Chairman of the Council of Ministers Vo Van Kiet.

4. Minister Nguyen Manh Cam held official talks with His Excellency Asa Sarasin. Participating in the talks, on the Thai side were Deputy Minister of Agriculture and Cooperatives At Taolanon, Deputy Minister of Industry Wira Susangkornkan, Permanent Secretary of Foreign Ministry Witthaya Wetchachiwa, Thai Ambassador to Vietnam Suraphong Chaiyanam, General Secretary of the National Security Council Suwit Sutthanukun, Deputy Permanent Secretary of the Foreign Ministry (Suthi Naosuphong), General Director of Foreign Ministry's Political department Charoen Sawannakun, General Director of Foreign Ministry's Convention and Law Department (Prachit Thonarak), General Director of Foreign Ministry's Information Department Sakthip Krairoek, and General Director of Trade Ministry's Export Department Oranut Osathanon. On the Vietnamese side were Vice Foreign Minister Vu Khoan, Vice Minister of Trade and Tourism Le Kim Nam, Tran Bich Chuong, Assistant to the Foreign Minister and Head of the Southeast Asia and South Pacific Department of the foreign ministry; Vietnamese Ambassador to Thailand Nguyen Trung, Major General Vu Xuan Vinh, Chief of the Defense Ministry's Foreign Affair Department; Ho The Lan, Head of the Foreign ministry's Information and Press Deparment; Nguyen Dinh Vinh, Head of the Foreign Ministry's Consular Affairs Department; Le Cong Tung, Head of the Foreign Ministry's Research Department; Huynh Van Tri, Head of the Central Overseas Vietnamese Department; and Dang Duc Lan, Deputy Head of the Foreign Ministry's Economic and Cultural Cooperation Department. The talks took place in an atmosphere of friendship, understanding and cooperation.

5. The Vietnamese side welcomed H.E. Asa Sarasin's visit as it would help to advance further the on-going progress in Thai-Vietnamese relations and set the stage for expanded cooperation between the two countries in the future. Both sides reiterated the view that, with the favorable changes in the international and regional situation, the opportunity was at hand for the two countries to forge closer ties of friendship, cooperation and good neighborliness, which would not only meet the aspirations and interests of their peoples but also benefit the cause of peace, stability and prosperity in Southeast Asia.

6. The two sides informed each other of the situation in their respective countries and exchanged views on ways and means of strengthening the relations between the two countries, as well as on regional and international issues of mutual interest.

7. The two sides were encouraged by the positive developments in the regional situation, which hold out the promise of a new era of peaceful and cooperative relations among all the nations of Southeast Asia. The Thai side expressed the desire to see Vietnam's greater participation in the promotion of regional cooperation. As an initial step in this direction, the Thai side welcomed Vietnam's intention to accede to the 1976 treaty of amity and cooperation in Southeast Asia, to which all the ASEAN countries are signatories and which is open to accession by all other countries in Southeast Asia.

8. The two sides noted with satisfaction that the search for a comprehensive political solution to the Cambodian question within the P-5 framework document was now moving towards the final stage. The two sides welcomed the important agreements reached at the recent meetings of the Supreme National Council (SNC) in Phatthaya and Beijing under the presidency of his royal highness Samdech Norodom Sihanouk and expressed their hope that the remaining issues would be settled as soon as possible in order that the Paris International Conference on Cambodia (PICC) could be reconvened in order to adopt and sign the final peace agreement on a comprehensive political solution to the Cambodian question by the end of October, 1991. The two sides were confident that this would lead to the emergence of a peaceful,

neutral and independent Cambodia friendly to all countries, including neighbouring countries, thereby contributing to durable peace, stability and cooperation in Southeast Asia.

9. The two sides welcomed and were encouraged by the continuing progress being made in the bilateral relations and cooperation between the two countries as reflected in the increased contacts at various levels in both governmental and private sectors and in the rapidly growing volume of trade and economic cooperation. Both sides were also of the view that every effort should be made to build up a climate of greater mutual confidence and trust, which would give added impetus to the further development of friendly and cooperative ties between Thailand and Vietnam. Toward this end, both sides agreed to promote more frequent contacts and closer ties between the leadership of the two countries. More cultural exchanges and people-to-people contacts should also be encouraged as means of enhancing mutual understanding and goodwill between the two countries.

10. In this regard, the Thai foreign minister informed his Vietnamese counterpart of the Thai Government's intention to find a lasting solution to the long-standing issue of Vietnamese nationals who fled to Thailand during the first Indochina war by considering granting Thai citizenship to these Vietnamese in answer to their requests, as well as further relaxing any other existing restrictions, provided that upon the acquisition of Thai citizenship, they lose their Vietnamese citizenship in accordance with the laws of each respective country. The Vietnamese law did not recognize dual citizenship and it was the policy of the Vietnamese Government that these long-term Vietnamese residents in Thailand should become an integral part of Thai society and law-abiding citizens of Thailand.

11. As a further confidence-building measure, the two sides agreed to release a number of Thai and Vietnamese fishermen detained in their respective countries, the details and modalities of which would be further discussed as soon as possible in the spirit of goodwill, friendship and mutual cooperation, taking into account each other's internal laws and international practices.

12. The two ministers held that there should be regular exchanges between the military leadership of the two countries and also welcomed the exchange of military attaches to each other's capital as soon as possible.

13. The two sides shared the view that there existed great potential for cooperation between the two countries that has yet to be tapped, and expressed their determination to do their utmost to further enhance the multifaceted relations, particularly in the fields of trade, investment and tourism. To set the framework for the expansion of economic cooperation between the two countries, the two sides agreed to sign an agreement on the establishment of a joint commission on economic cooperation and to initial an agreement on investment promotion and protection. The two sides agreed to conduct further negotiations on the agreement with regard to the avoidance of double taxation and the exchange of views on the promotion of cooperation in the fields of fisheries, gems and natural gas.

The two sides recognized the desirability of effecting a delimitation of the maritime boundaries between the two countries and agreed to hold talks as soon as possible for this purpose.

14. The Vietnamese side welcomed the Thai Government's offer to extend technical assistance to Vietnam. In this regard, a team of experts from Thailand will visit Vietnam to discuss how the assistance could be utilized to meet the development needs of Vietnam.

15. The Thai side proposed the setting up of its consulate-general in Ho Chi Minh City. The Vietnamese side agreed to give positive consideration to the request and would propose the site of its consulate-general in Thailand for consideration on the basis of reciprocity.

16. Mr. Asa Sarasin took the opportunity to confirm the invitation of H.E. Mr. Anan Panyarachun, prime minister of the Kingdom of Thailand, to Mr. Vo Van Kiet, chairman of the Council of Ministers of the Socialist Republic of Vietnam, to pay an official visit to Thailand, the date of which will be further agreed upon.

17. The two sides agreed to convene the first joint commission at the level of deputy minister in Thailand before the forthcoming visit of the chairman of the Council of Ministers of Vietnam.

18. Both sides welcomed the successful outcome of the visit to Vietnam by Mr. Asa Sarasin, minister of foreign affairs of Thailand. Mr. Asa Sarasin expressed his deep appreciation for the very warm welcome and gracious hospitality extended to him and his party by the leaders and people of Vietnam. Mr. Asa Sarasin invited H.E. Mr. Nguyen Manh Cam to pay an official visit to Thailand. Mr. Nguyen Manh Cam expressed his thanks and accepted the invitation with pleasure. The date of the visit would be agreed upon through diplomatic channels.

Hanoi 18 September 1991

VNA Reports Departure of Thai Foreign Minister

BK1909152591 Hanoi VNA in English 1443 GMT 19 Sep 91

[Text] Hanoi VNA September 19—Thai Foreign Minister Asa Sarasin and his party left Ho Chi Minh City this afternoon, concluding his 3-day official visit to Vietnam.

In Ho Chi Minh City, the Thai guests were received by Vo Tran Chi, Politburo member of the Communist Party of Vietnam Central Committee and secretary of the city's party committee, who welcomed the Thai foreign minister's visit as an event of special importance in the relations between Vietnam and Thailand. In reply, Asa Sarasin highly appreciated the cooperation between

Thailand and Ho Chi Minh City, and expressed his hope that Thailand would open a consulate in the city. This afternoon, Foreign Minister Asa and his party were feted at the Thong Nhat Conference Hall by the people's committee of the city.

Results of Thai Foreign Minister's Visit Hailed

BK2009070791 Hanoi VNA in English 0618 GMT 20 Sep 91

[Text] Hanoi VNA Sept. 20—NHAN DAN today describes the just-ended official visit to Vietnam by Thai Foreign Minister Asa Sarasin as a significant lamdmark in the Vietnamese-Thai relations.

The paper remarks:

"One of the important results of the visit is the active preparation by both sides for the coming official visit to Thailand by Chairman of the Council of Ministers Vo Van Kiet in response to the invitation of Prime Minister Anan Panyarachun. The development of Vietnamese-Thai relations in recent years together with the successful outcome of Foreign Minister Asa Sarasin's visit confirms the rapid pace in the improvement of bilateral relations on the basis of mutual trust, equality, and mutual benefit. The coming Vietnamese-Thai summit will mark a new step of development in the friendly, cooperative, and neighbourly relations between the two countries."

The paper goes on:

"Lying together in Southeast Asia, Vietnam and Thailand have a certain position in the political life in this region. Vietnam-Thai cooperation benefits not only the two countries but also peace, stability, and development in Southeast Asia.

"In the positive changes of the situation in Southeast Asia, the broader participation of Vietnam and Thailand in pushing up regional cooperation is both necessary and suited to the aspiration of the people in the region.

New EC Mission Head Presents Credentials

BK1809154491 Hanoi VNA in English 1452 GMT 18 Sep 91

[Text] Hanoi VNA Sept. 18—Ambassador Dinh Phu Dinh, head of the mission of Vietnam beside [as received] the European Community (EC), has presented his credentials to Jacques Delors, chairman of the E European Community Committee.

The Vietnamese ambassador conveyed greeting of the Vietnamese state and government leaders to the chairman, and thanked EC for its assistance to Vietnam in recent years.

He informed Chairman Delors of the results of the on-going process of renewal in Vietnam, and expressed his hope that the relations between Vietnam and EC would be further developed.

Japanese Credit Card Contract Signed 19 Sep

BK1909155391 Hanoi VNA in English 1420 GMT 19 Sep 91

[Text] Hanoi VNA September 19—A contract on the use of and payment of the international credit card issued by the JCB Co. Ltd of Japan in Vietnam was signed in Ho Chi Minh City on Sept.19 by Nguyen [name indistinct], deputy director general of Vietcombank, [?and the] president of the Japanese company. It is the first direct contract between Vietcombank and a Japanese company. The JCB card mainly serves Japanese businessmen and tourists in Vietnam. According to Mr. Nsaaki Ikeuchi, JCB ranks fourth in the world after Master Card, Visa and American Express. The Master Card and Visa have been used for some time now in Ho Chi Minh.

International Institutions Paving Way for Funds

BK1909115091 Hong Kong AFP in English 1135 GMT 19 Sep 91

[Text] Bangkok, Sept 19 (AFP)—Major international financial institutions have paved the way for funding to prop up Vietnam's ailing economy as soon as the world's economic powers give the go-ahead, a World Bank official said here Thursday.

World Bank representative here Philippe Annez told a press conference that the bank could implement programmes as soon as "reluctance" from the Group of Seven (G-7) leading industrialised countries was overcome.

The United States, a member of the G-7, has imposed an economic embargo against its former foe for the past 16 years.

With the prospect of peace in Cambodia and Washington now praising Hanoi's cooperation in accounting for U.S. servicemen listed as missing since the Vietnam War, "we are hoping that soon all those G-7 governments will decide to allow the World Bank and the International Monetary Fund (IMF) to resume relations with Vietnam," he said.

In separate remarks here Thursday, Judhvir Parmar, of the International Finance Corp. (IFC), the World Bank's private sector arm, said there was "very substantial investor interest" in Vietnam.

"Approaches have been made (with the corporation) from what I consider as serious companies," said Parmar, IFC vice president for investment operations.

IFC is considering "a number of proposals" on Vietnam, including "quite substantial" proposed Japanese ventures in tourism, banking, manufacturing and mining, he said.

"We have also approaches from Europe. As to the United States, it is relatively light. We have seen more from Japan and Europe," Parmar said, adding that there was high interest in Thailand and Australia.

Another World Bank executive, Pastor Sison, who is external affairs officer for Asia, said at the press conference that Vietnam would have to clear its arrears of some 200 million dollars with the IMF before either institution resumed dealings with Hanoi. But Annez said this hurdle could easily be overcome as international arrangements had already been made "to syndicate a bridging loan to allow Vietnam to repay its foreign debts."

"It's all set up. The only thing we need is the green light from the G-7," he added.

IFC is already involved in Vietnam where it has worked out a series of proposals on foreign investment legislation. But Parmar said he expected the activities of the institution, which has been set up to promote private sector investment in developing countries, to broaden.

"Vietnam is a member (of the IFC). So, obviously by charter we are committed to make investments in Vietnam, but there are two elements," he said. "One is that we will make our investments when we feel that the investment climate provides a sufficiently safe atmosphere," Parmar said. "The second is, we are owned by member governments and there will have to be a consensus among the major shareholders that the corporation should begin its activities," he said.

Annez said the World Bank had been working on detailed studies of Vietnam's economy.

"On the whole, we are very pleased with reforms undertaken in Vietnam," he said, singling out the pricing system, the removal of government subsidies, and curbing of inflation.

"After the basic work, we have started to do sector work," Annez said, citing the energy, health, primary education and transport sectors.

"We have begun to prepare certain projects" for "structural adjustments" in the economy, road rehabilitation and agriculture, he said, warning that they would have to be approved by the bank's board.

Washington has said that a peace agreement in Cambodia, where Phnom Penh's Vietnam-installed government has been battling a Chinese-backed guerrilla coalition for almost 13 years, would mark the beginning of normalization of its relations with Vietnam.

With a settlement now likely by the end of the year, U.S. officials have predicted an acceleration in the normalization process, which includes the lifting of the embargo.

In the past, the United States and other Western industrialized countries have blocked Vietnam's readmission to the IMF.

Vo Van Kiet Extends Sympathy to Flood Victims

BK1909061791 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 16 Sep 91

[Text] Vo Van Kiet, chairman of the Council of Ministers, on 16 September sent a message of sympathy to the provinces hit by floods and flash floods in the Mekong River delta. Following is the full text of the message:

Widespread floods and flash floods have occurred in the Mekong river delta, causing great losses in human lives, property, and production. On behalf of the party Central Committee and government, I would like to extend my sympathy to the people, cadres, and members of the Armed Forces in the localities affected by the natural disasters. I would also like to commend the administrative and party committee echelons, the Armed Forces, and the people in these localities for their great efforts in controlling the floods and flash floods, temporarily evacuating the people, and rendering relief aid. As a result, they have been able to curtail losses, protect the lives and property of the people and the state, quickly overcome the aftermath of the floods and flash floods, and satisfactorily make preparations in every respect for the effective control of widespread flash floods that may occur in the days ahead.

The government has decided to send a high-level delegation of the responsible ministries and sectors headed by Phan Van Khai, vice chairman of the Council of Ministers, to visit the people and join the people's committees of the affected provinces in solving problems on the spot.

Based on their functions, heads of various ministries and sectors should coordinate closely with these localities in creating favorable conditions for them to quickly overcome the aftermath of the floods and flash floods and stabilize life and production.

Vo Van Kiet Visits Power Station in Dac Lac

BK2009095691 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 17 Sep 91

[Text] Recently, Comrade Vo Van Kiet, member of the party Political Bureau and chairman of the Council of Ministers, visited Drey H'Ling hydroelectricity power station on his working visit to Dac Lac Province.

Accompanying the chairman were Comrade Nong Duc Manh, member of the party Political Bureau and director of the party Nationalities Department, and leading comrades of the Ministry of Energy, No. 3 Electricity Company, and Dac Lac Province.

The manager of the Drey H'Ling power station reported on the building process of the plant and the production of electricity to serve the central highland ethnic minority people.

The Drey H'Ling hydroelectricity power station has three turbines with the output of 12,000 kilowatt-hours.

Since the beginning of its operation, the station has produced 46 million kilowatt-hours for production and living needs.

Speaking to the cadres and workers of the station, Comrade Vo Van Kiet urged them to satisfactorily maintain and exploit the Drey H'Ling electricity source to improve the living standards of the central highland ethnic minority people. He also said that with this electricity service, the local economic activities will have better conditions to develop, especially in the industry of forestry and agriculture processing which is a great potential in the central highland.

The Drey H'Ling station is one of the important power stations built in the Electrification Program of our government which has focused more in the central provinces and the central highland in the last few years.

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[MAINICHI SHIMBUN] Some of these three people were involved in the recruit scandal. What do you think about their ablutions regarding the incident and political responsibility?

[Komoto] When will they be able to draw a clear line purifying themselves of the scandal? Some people say that they made their ablutions at the time of the general election. Some others say that they will be able to do that only when the political reform is realized and a foundation of the parliamentary politics is solidified. I thik it is an issue they should decide.

[MAINICHI SHIMBUN] Some LDP members say that the Kaifu cabinet is a "confused cabinet" manipulated by the Takeshita faction.

[Komoto] Indeed, the prime minister had strong support from the Keisei Association (the Takeshita faction) over the past two years. This is the backdrop. However, judging from his achievements and the way he thinks regarding politics, I think that the prime minister has promoted politics by his own decisions.

[MAINICHI SHIBMUN] An LDP president can be selected by an election or by discussions.

[Komoto] I think an election is the principle method. Nevertheless, there are many previous cases of reaching conclusions through discussions. It is hard, at this stage, to say which method is better.

Miyazawa Views Single-Seat Constituency System

OW1409024191 Tokyo ASAHI SHIMBUN in Japanese 12 Sep 91 Morning Edition p 2—FOR OFFICIAL USE ONLY

[Text] Kiichi Miyazawa (chairman of the Miyazawa faction) of the Liberal Democratic Party [LDP] held discussions with members of the "Utopia Study Group For Political Affairs" (chief executive: Masayoshi Takemura), composed of younger LDP Dietmen, on the night of 11 September. At the meeting, Miyazawa said: "Even if the system of combining the single-seat constituency and proportional representation is introduced, there is not necessarily any guarantee that cost-free politics can be achieved." Thus, he indicated skepticism over bills concerned with political reform focusing mainly on introducing the joint single-seat constituency and proportional representation system. Moreover, as a measure to ease competition among conservative candidates, he proposed that the plural ballot system under current multiple-seat system be introduced. For the first time, Miyazawa clearly raised a question about the introduction of the single-seat constituency system advocated by the Kaifu cabinet. His remarks will mostly likely create a stir within the LDP.

As for questionable points about the joint system of the single-seat constituency and proportional representation, Miyazawa pointed out the following: 1) the intimate relationship with voters in the constituency that has been maintained for many years will probably be cut off; 2) competition will further intensify among candidates in providing services to voters; and 3) as a result of the reduced size in constituencies, there are concerns about the possibility of downgrading politicians' capabilities. Regarding relationships with voters in particular, he expressed strong concerns over possible breakup of relationship with voters, and said: "As a politician, I will have to resign if such a relationship is cut off."

Meanwhile, however, Miyazawa pointed out that if the current multiple-seat constituency system remains unchanged, it would take a huge amount of money to maintain a faction and indicated his understanding that "it would be impossible to operate a faction in the future." In this way, he repeatedly stressed that it would be necessary to promote political reforms, including reform of the electoral system. He also indicated his view that ruling and opposition parties should hold consultations to work out a concrete plan.

DSP, Rengo Sangiin Working Toward Alliance

OW1909064191 Tokyo SANKEI SHIMBUN in Japanese 12 Sep 91 Morning Edition p 3—FOR OFFICIAL USE ONLY

[Text] It was formally decided on 11 September that in order to create a joint grouping between the Democratic Socialist Party [DSP] and the Rengo Sangiin grouping in the House of Councillors, a meeting between DSP Chairman Ouchi and Rengo Sangiin representative Hoshikawa will be held on 26 September. Difficult issues, such as coordination of the basic policies of the two parties and understanding of the other parties, are still to be tackled before a joint grouping can be created. Both the ruling and opposition parties are showing keen interest in this development because if the alliance materializes, it will be a "step toward the reorganization of the political sector."

Chairman Ouchi held a forum with the press corps in the Diet building in the afternoon of 11 September and revealed that the Rengo Sangiin side has asked to confer with the DSP on forming a joint grouping, and that the DSP has decided to join such an alliance. Ouchi specifically indicated that he believed that this development will be a step toward cooperation between the Social Democratic Party of Japan [SDPJ] and the DSP. He stressed that "we would like to take this step toward the reorganization of the political sector and work toward our grand goal."

On the other hand, Rengo Sangiin also held a general meeting of its members on the afternoon of the same day to exchange views on forming a joint grouping. During the meeting, the majority was cautious about the idea, and the prevailing view was that "Rengo Sangiin should stand by its goal of creating a joint grouping with the SDPJ, Komeito, DSP, and the Social Democratic Federation," and that "since we have been elected to be the adhesive agent of the opposition parties, it is questionable that we should form an alliance only with the DSP." At the press conference after the meeting, while Hoshikawa and Chief Secretary Furukawa of the group admitted that there will be a meeting with Ouchi on 26 September, the two said that "we made an election commitment of forming a coalition government of the SDPJ, the Komeito, and the DSP; we do not intend to form a joint grouping only with the DSP."

The reason behind this is that with an alliance formed between the DSP-Sports-Kokumin Rengo grouping (10 seats) and the Rengo Sangiin (12 seats), this will be the third largest grouping—surpassing the Komeito-Kokumin Kaigi grouping (20 seats)—and come to hold the casting vote. Within the Rengo [Japanese Trade Union Federation], some members fear that "this will compromise our relationship with the SDPJ," (according to a Rengo official). Moreover, coordination between the DSP and the Rengo Sangiin on basic policies is still insufficient.

However, certain members of the Rengo Sangiin believe that "our only way is to strengthen our alliance with the DSP in order to demonstrate our importance," (according to an official). There are moves favoring continuing consultations with the DSP to realize a joint grouping. Certain SDPJ members also welcome this development. Thus, this issue of a joint grouping has the potential of becoming the breakthrough point for uniting the social democratic forces.

Miyazawa Attacked for 'Flaunting' English Ability

OW1309133891 Tokyo ASAHI EVENING NEWS in English 10 Sep 91 p 5—FOR OFFICIAL USE ONLY

["Political Spectrum" column article: "Flaunting Proficiency in English"]

[Text] Kiichi Miyazawa has a definite image with the public—a politician with a copy of TIME magazine on his lap. His command of English is legendary. But this rare asset among Japanese politicians has not necessarily helped him.

The reason is that being like others is the expected condition of existence in Japan. To be able to do something most others cannot do invites resentment as well as admiration. The political world is no exception to the rule.

When Miyazawa, an aspirant for the presidency of the ruling Liberal Democratic Party [LDP], held a discussion in English with former U.S. Secretary of State Henry Kissinger during a factional seminar last Friday, it drew predictably unfavorable comments from the other LDP factions. "You can't come to power on the strength of your proficiency in English," a critic said.

Miyazawa in effect declared his candidacy for the October LDP presidential election in the seminar. Some senior members of the Miyazawa faction had opposed the idea, saying that a public discussion in English would only stoke antipathy to Miyazawa within the ruling party.

But Yohei Kono, the faction's public relations chief, had pushed it through. "It is odd that Mr. Miyazawa's proficiency in English should be perceived as a political liability," Kono argued. He headed the now-defunct New Liberal Club, an LDP splinter group. "The Japanese prime minister can't exercise leadership in world affairs unless he can talk with Western leaders on an equal footing," he said.

Addressing each other as Henry and Kiichi, Miyazawa and Kissinger discussed in English the situation in the Soviet Union, policy toward China, the Gulf war, and Japan's role in the international community for an hour and a half.

The discussion was held to demonstrate Miyazawa's assets as a candidate for the LDP presidency and the premiership—his intellect and his ability to deal with international affairs in the age of global turmoil. The 500-plus audience, including Diet members, officials of support assocations and business leaders, was impressed with Miyazawa's command of English.

Miyazawa first met Kissinger in 1975 when he was foreign minister. They have since been friends on a first-name basis. Kissinger, who had been scheduled to visit Japan in September, had gladly agreed to hold the discussion with Miyazawa.

Many LDP Diet members, invariably poor speakers when it comes to English, responded with negative comments to the discussion in English. "Japanese politicians should be proud of the Japanese language and should speak in Japanese," said Shunpei Tsukahara, general affairs chief of the second largest LDP faction led by former Foreign Minister Hiroshi Mitsuzuka.

A 'Childish Act'

"Mr Miyazawa is a very good politician, but the discussion in English was a childish act," said Kozo Watanabe, a senior member of the Noboru Takeshita faction, the largest LDP group. Political commentator Shigezo Hayasaka said, "The sight of an audience listening through earphones doesn't fit in with the LDP. The intraparty reaction would have been better if Mr. Miyazawa had conducted the discussion through an interpreter."

Hayasaka, former secretary to former Prime Minister Kakuei Tanaka, added that a better way for Miyazawa to win the LDP presidency is to hold frequent meetings with former Prime Minister Takeshita and Shin Kanemaru, present chairman of the Takeshita faction, to secure the group's support in the election.

Kissinger upheld Kono's view of Miyazawa's proficiency in English when he was asked for comment by ASAHI

SHIMBUN reporters. Asked what is needed if Japanese politicians are to exercise leadership in the international community, he named a systematic understanding of the present state of international relations and an ability to communicate with other countries and said Japan seems to be not so advanced in the latter as in the former.

The former secretary of state added that he has learned many things from Miyazawa in their 20-year association.

The negative comments on the discussion in English may have partly been prompted by Miyazawa's apparent insensitivity to the feelings of other politicians. For example, during a meeting in May with Lee Kuan Yew, former prime minister of Singapore, Miyazawa spoke to him in English, although Takeshita and Michio Watanabe, Miyazawa's potential rival in the LDP presidential race, were also present. The interpreter had to render Miyazawa's remarks in English into Japanese for Takeshita and Watanabe, making them obviously unhappy, according to one of their companions who attended the meeting.

Criticisms of Miyazawa, Japanese Political Culture

OW1309202091 Tokyo ASAHI SHIMBUN in Japanese 8 Sep 91 Morning Edition p 2

[Editorial: "Change the Political Culture in the Presidential Election"]

[Text] The seminar of the Miyazawa faction of the Liberal Democratic Party [LDP], in which Kiichi Miyazawa virtually announced his candidacy in the presidential election, was indeed a presentation accurately described by the phrase "a blending of Japanese and Western styles."

The highlight of the event was a dialogue between Miyazawa and former U.S. Secretary of State Henry Kissinger. For 90 minutes, Miyazawa spoke in English as most participants listened to the exchanges through headphones via simultaneous translation.

This was the first time in the history of LDP presidential elections that a candidate has used English in such a manner to promote himself. Miyazawa has an established reputation for English language ability and international sensitivity. Yet, it is also a fact that in the LDP, such a distinction rather works against him; people tend to keep a respectful distance from him, and he has not been really popular.

In fact, the reaction of people outside the Miyazawa faction to this dialogue was unenthusiastic: "Japanese politicians ought to speak in Japanese"; "it was childish"; "this is inappropriate for the LDP; it would be better for him to meet Kanemaru and Takeshita more often..."

Miyazawa, who knows such things full well, must have been prepared for the consequences by wittingly deciding to put up such a "Western" performance. On the other hand, the "Japanese" part of the event is that the setting of the dialogue was the seminar of a faction. The other parts of the program coming after the dialogue—Miyazawa's declaration of his determination to run as a candidate, and the three cries of "banzai"—were conventional "factional rituals". One can hear the drums roaring and sending the warriors to the front.

LDP factional politics is, after all, rooted in awfully "Japanese" political culture when compared to party politics in other countries.

For example, after the party president is elected, Diet members belonging to his faction are asked to unite as one, and anyone opposing the faction's decision is treated as an "outcast." The independence and initiative of individual Diet members are neglected. This is qualitatively different from "Western" democratic politics.

Therefore, the "numerical strength" of the faction is given top priority. As seen during the Recruit scandal, in order to bring more members into the faction, factions overstretch themselves to raise funds, thus causing money politics.

In the upcoming LDP presidential election, we must reflect on the flaws of the unique Japanese factional politics and undertake political reform to change the existing factional order.

With Miyazawa's announcement of his candidacy, people inside the LDP have begun to clamor for a "powerful cabinet." What does "powerful" mean?

If this refers to the "numerical strength" of the factions, politicians armed with the "power of fundraising" might again come to call the shots like before.

On the other hand, a "weak" prime minister and party president manipulated behind the scene by kingmakers presiding over "strong" factions is also undesirable.

It has been said that an LDP president chosen through an open election exercises strong leadership, while one elected through consultation or appointment is weak. For the coming election, an open election seems more desirable. That goes without saying.

However, the problem is how this election is going to be conducted. With a recent revision of election rules, votes cast by Diet members in the center have come to carry more weight than those cast by local party members. If Diet members act in solid blocs as factions, election results will actually be decided by negotiations between faction leaders.

A true election should be one in which Diet members are free from factional constraints and can elect the president with their own free will. Candidates should also not be endorsed by factions and should not be restrained by such factors as the number of terms they have served in the Diet.

The election of the LDP president is also being observed with interest internationally. If the election is conducted under an introverted logic which makes sense only in the LDP, the new president will not have a strong international voice. A democratic election process worthy of international acclaim should be devised. And this does not merely mean conducting a dialogue in English.

Resignation of Keidanren's Yamazaki Analyzed

OW1909134391 Tokyo THE DAILY YOMIURI in English 19 Sep 91 p 8—FOR OFFICIAL USE ONLY

[Text] The recent resignation of Seizo Yamazaki, chairman of the Agricultural Committee of the Federation of Economic Organization (Keidanren), may compromise the organization's support of an open Japanese rice market, Keidanren official believe.

Yamazaki, who is also chairman of leading grain trading house Yamatane Corp., left his Keidanren post to take responsibility for his company's involvement in selling faked brands of rice.

Yamazaki served in his post at the Keidanren since 1968 and was widely known as a major advocate of a phased opening of Japan's rice market. "Japan can contribute to a successful conclusion of the Uruguay Round (cf multilateral trade negotiations) by allowing minimum access" to its rice market, he said recently.

As director general of the Japan Rice Sellers Association and member of a new rice distribution network, Yamazaki was also instrumental in introducing free market principles to the nation's rice markets.

Yamazaki's comments on rice market liberalization, though, angered farm organization officials, who demanded Yamazaki clarify his role in the Yamatane Corp. scandal.

Keidanren officials believe Yamazaki's departure may pose problems for the Food Agency, since the agency will most likely be impelled by public criticism to continue relaxing restrictions on rice imports and rice distribution.

Some government officials worry that gradual relaxation of the rice market may come to a complete halt due to the Yamatane scandal, generating public outrage over the govement's continued protectionist rice policy.

Role of Money in LDP Elections Analyzed

OW1009002491 Tokyo ASAHI SHIMBUN in Japanese 6 Sep 91 Morning Edition p 3—FOR OFFICIAL USE ONLY

[Unattributed article; "From Moment To Moment; 'Money-Dominant Elections'—'Appearance of LDP'"]

[Text] In the wake of a crushing defeat in the Upper House elections, the ruling Liberal Democratic Party [LDP] was said to be in "danger of losing power." Lower House elections were held in February 1990. The headquarters of the LDP collected a unprecedentedly huge amount of funds to fight the elections. A report on revenues and expenditures of political funds released on 6 September reveals how the LDP waged a desperate "money-dominant election," despite the "political reform" it contrived as a result of its deep soul-searching on the Recruit financial scandal.

"Money" to Shore Up LDP Candidates

"Please, take this." "Thank you." It was 23 January 1990. One senior member after another of five LDP factions and one group wwere called in to the office of the Financial Management Bureau chief on the second floor of the LDP headquarters. The (then) Secretary General Ichiro Ozawa and Fumitake Kishida, chief of the Financial Management Bureau were waiting. Each big envelope, handed out by Mr. Kishida, contained hundreds of millions of yen in cash.

According to the report, Mr. Tamisuke Watanuki (Takeshita faction) received 620 million yen, while Mr. Shigeru Kasuya (Miyazawa faction), Mr. Toshio Yamaguchi (old Nakasone, but now Watanabe faction) and Mr. Yoshiro Mori (old Abe, but now Mitsuzuka faction) received 500 million yen respectively. In addition, Mr. Misoji Sakamoto (Komoto faction) and Mr. Susumu Nikkaido were given 200 million yen and 100 million yen respectively. Thus, a total of 2,420 million yen was distributed to the LDP factions and the group.

This amount of money was given as funds in the name of "organizational activity costs" to be used for upcoming Lower House elections a day before the Lower House was dissolved. In fact, the same amount of money was channeled to the factions in late 1989.

On 24 January, the day after the funds were supplied, one Diet member after another called in at party headquarters. Ten million yen was given to Diet members who had not served as cabinet members and 20 million to Diet members who had served as cabinet members. As a result, a total of 4,240 million yen was given to 270 Diet members affiliated with the LDP. For two days, the money paid to the Diet members affiliated with the LDP amounted to 8 billion yen.

Nine Urban Banks Were Asked for Money

It was August 1989. "My task is to win the elections. I have to collect, among other things, money to that end," Secretary General Ozawa, who had just assumed his post, told senior party officials. In the wake of the crushing defeat in the July Upper House elections, a sense of crisis prevailed in the ruling party. From October to early November, Mr. Ozawa and some Diet members close to him visited automobile, household electric appliance, and construction companies. Aside from the ordinary political fund contribution route—the

Keidanren [the Federation of Economic Organizations], the National Political Association of the LDP, Mr. Ozawa, and other Diet members asked companies for special financial contributions. But, they stopped, because such a request was prohibited by the Political Funds Control Law. At last, they turned to nine urban banks and decided to raise funds through "emergency loans."

In December 1989, when the Lower House elections were set to be held in February 1990, they borrowed 5 billion yen from the nine urban banks. In January 1990, they borrowed 10 billion yen from those banks. Later, the National Political Association paid 3.5 billion yen in political fund contributions to the LDP. With these funds, the LDP distibuted money to its factions, the group, and Diet members affiliated with the LDP shortly before the Lower House elections.

Now, the LDP is being forced to pay back 15 billion yen it borrowed from the nine banks as "emergency loans." The loans were to be repaid in three years. The LDP paid back 6,350 million yen (including 1,350 million in interest) until December 1990. The LDP received about 14.5 billion yen in financial contributions from the National Political Association to pay back the emergency loans. This year, the LDP has asked the National Political Association for 16 billion yen and the aftermath of the emergency loans for the Lower House elections still lingers in the LDP. "I am worried about how to raise funds for next year's Upper House election, while paying back loans. I am racking my brain," Financial Management Bureau chief Kishida said.

Desperate Efforts To Bolster Faction

In late January 1990, new candidates, who formerly served in the government, called at the office of Shintaro Abe in Aksaka, Tokyo. Mr. Abe told them that "Now, as our party has formally decided to field all of you as candidates in the upcoming Lower House elections, I hope you will fight well," and handed them personally parcels containing 20 million yen in cash. This amount was 10 million yen more than they had received four years earlier when they suffered defeats after running as independents in the elections.

In the Lower House elections, the Abe faction fielded 30 new candidates. "My father was desperate, saying that these coming elections would be a last chance for me," says Mr. Shinzo Abe, Abe's second son. Mr. Abe appeared to feel keenly the "numerical power" of the Takeshita faction as a result of the Lower House elections held in the autumn of 1987.

As an illustration of how desperate Mr. Abe was to bolster his faction in the LDP, the revenue of the Abe faction in 1990 amounted to 2,760 million yen, nearly twice that of a year earlier. On 23 January 1990, the faction paid a total of 1,118 million yen to the support groups of junior and newly-elected Diet members. If previous payments are included, "the Abe faction paid each newly- elected Diet member at least 30 million yen and later more money to those newly-elected Diet members who waged fierce election campaigns, says a senior faction member.

As a result, the Abe faction took in 20 newly-elected Diet members and their elections made the Abe faction jump to "second largest" in the LDP after the Takeshita faction. Eighteen months later, Mr. Abe died.

Government Criticized for 'Clumsiness' in Crisis

OW0609164491 Tokyo THE DAILY YOMIURI in English 6 Sep 91 p 3—FOR OFFICIAL USE ONLY

["Behind the Scenes" column article by Minoru Hirano: "Why Is Japan So Inept in Crisis?"]

[Text] Many people in Japan worry about their creaky diplomatic machine in crisis situations.

Regretting the nation's clumsiness in dealing with the Gulf crisis, Foreign Miniser Taro Nakayama instructed his officials to produce a manual on actions to be taken when a similar crisis should erupt. When the Moscow coup was reported, the officials immediately started action based on this manual.

They set up a task force within the ministry, requested the Soviet government to protect Japanese residents in the Soviet Union, put out a statement by the chief Cabinet secretary and furnished information to about 700 leaders in political, financial and academic circles. The ministry could pat itself on the back for its handling of the situation as far as procedural matter wee concerned.

Therefore, when it was criticized for slow action in reacting to the coup, the ministry retorted that the criticism was unjustified.

However, the greatest error committed by ministry officials was their excessive prudence for fear of committing a blunder.

Bureaucrats have a strong instinct for self-preservation. For them, the best way to achieve promotion is not making a mistake.

Thus, they hesitated to condemn the coup plotters as did U.S. and British leaders, probably because they feared that, if the coup succeeded, the new junta would take a tough stance on negotiations for the return of the northern islands.

Politicians should act with courage when they discover bureaucratic timidity. Prime Minister Toshiki Kaifu, however, failed to perform this role. He accepted reports by Foreign Ministry officials without reservations, and was criticized for lack of leadership.

To recover his credibility, Kaifu favored sending Nakayama to Moscow as quickly as possible. But this idea was blocked by Foreign Ministry officials.

They probably feared that Nakayama might fail to see any important official in Moscow amid the turmoil. Kaifu could not override the ministry's caution, and made do by sending Deputy Foreign Minister Kunihiko Saito instead.

Ironically, Saito met with eight high officials, including Soviet President Mikhail Gorbachev and Russian President Boris Yeltsin.

Saito returned to Tokyo Aug. 30 and reported to Kaifu that the situation in the Soviet Union was highly fluid. When he held a press conference at the Foreign Ministry, he was asked if he had given any advice to Kaifu. He answered "No."

Saito explained to reporters that his mission was limited to delivering Kaifu's personal letters to Gorbachev and Yeltsin and surveying the political situation in the Soviet Union, particularly relations between the Soviet Union and the Russian Republic.

If so, Kaifu should have created a mood in which Saito could better express his views. However, according to Saito, Kaifu did not make any "new and specific" comment on the changed situation, but only said that Japan's policy of recognizing the three Baltic states remained unchanged, which had nothing to do with Saito's mission. Kaifu may have only been concerned with the criticism that the government had failed to act quickly.

However, there is no indication that Nakayama will produce a new manual to dispel the people's discontent.

But even after Nakayama issued a statement that the Soviet Union was at a historic turning point, one top ministry official completely ignored the comment, merely repeating the ministry's past position: if the Soviet side will change its policy toward Japan more positively, Japan will also positively change its policy toward Moscow.

Japan used to say that it would positively extend economic assistance to the Soviet Union if Moscow took a flexible attitude on the territorial issue.

Despite crises, Japanese political leaders and diplomats have been unable to change their thinking. This nation is prone to repeating its errors.

SDPJ Viewed 'Incapable' of Winning Election

OW1309120691 Tokyo THE DAILY YOMIURI in English 12 Sep 91 p 1—FOR OFFICIAL USE ONLY

[Text] Despite a pledge by the Social Democratic Party of Japan [SDPJ] to become the nation's ruling party, 91 percent of Japanese believe the party incapable of achieving this aim by winning a general election, according to the findings of an opinion poll released Wednesday.

Only 4 percent of those polled thought that the nation's largest opposition party would one day take over the reins of government.

The survey, conducted by The Yomiuri Shimbun Aug. 24-25, covered 3,000 people across the nation. Of those, 2,189 people responded.

The findings also showed that 75 percent of those surveyed saw no major change in the SDPJ after Makoto Tanabe replaced Takako Doi as chairman of the party. Doi resigned to take responsibility for the setback the party suffered in the last local elections.

Only 2 percent believed that the party had significantly changed and 19 percent thought that it had changed in one way or another.

In a similar survey following the 1989 House of Councillors election, 20 percent believed that the SDPJ would capture power in the near future. The party scored huge gains in the election to open the way for the opposition to control the upper house.

Poll Shows Uncertainty on UN Peacekeeping Bill

OW1409024691 Tokyo MAINICHI SHIMBUN in Japanese 10 Sep 91 Morning Edition p 2—FOR OFFICIAL USE ONLY

[Text] MAINICHI SHIMBUN conducted a nationwide poll for three days beginning 30 August to find out the public opinions on such issues as the government-proposed bill on the UN peacekeeping operations (PKO), which has bocome a controversial issue in connection with the problem of overseas deployment of Self Defense Forces [SDF] staff members. According to the poll, 35 percent of respondents are "in favor" of the bill while 15 percent are "against" it. Although the supporters outnumber those opposing, the number of those indicating "undecided" has increased to 46 percent. This indicates that the majority of people feel uncertain about this issue.

After an agreement on the PKO issue was reached among the Liberal Democratic Party [LDP], Komeito and Democratic Socialist Party [DSP] last fall, the government has worked out and submitted its original bill to the current Diet session. The bill contains articles on the dispatch of SDF members to the UN peacekeeping force (PKF), whose mission includes dissolution of military forces in disputed areas. The SDF dispatch issue involves several serious factors such as its connection with Article 9 of the Constitution.

Classified by gender, an overwhelmingly larger number of males than females favor the bill, with the rate registered at 43 and 27 percent respectively. By generation, support rate is higher among people over 50 years old compared with that among the young. By party affiliation, LDP and DSP supporters are prominent among those who favor the bill, with the rate reaching almost 50 percent, while Komeito supporters rated a low 27 percent.

Of those who oppose the bill, Japan Communist Party supporters composed 54 percent, while the supporters of both the Socialist Democratic Party of Japan and Komeito composed 20 to 29 percent.

Of those who indicated that they were "undecided," young people comprised the majority. Among females, the rate of different age groups reaches from 50 to 60 percent.

However, when asked about Article 9 of the Constitution, which renounces war and the maintenance of military force, 77 percent of the respondents said that they support the article while 17 percent do not. Broken down by age, the majority of young people support the article. In terms of party affiliation, LDP supporters registered the lowest rate of 74 percent. This outcome indicates that the Japanese have persistently supported Article 9 since the end of the war.

The poll was conducted through personal interviews with 5,508 voters throughout Japan, with the retrieval rate reaching 72 percent.

New Method of USSR Exports Payments

OW1009005891 Tokyo ASAHI SHIMBUN in Japanese 7 Sep 91 Morning Edition p 11—FOR OFFICIAL USE ONLY

[By Yukifumi Takeuchi]

[Text] Moscow, 6 Sep— There have been changes in the way Japanese trading firms collect payments for their exports to the Soviet Union, where political and economic disorder continues. In the past, such payments were made through letters of credit (L/C) issued by the Soviet Bank for Foreign Economic Activity [BFEA], for the export of plants and other equipment to Soviet enterprises and public corporations. However, now that the federation government organizations have become weakened and the BFEA's creditability has begun to diminish, the tendency now is to make the payment by use of L/Cs issued by third countries' banks, such as those in European nations.

The Moscow branch office of the Marubeni Corporation concluded negotiations in late August to export approximately $200,000 worth of studio equipment to a TV station under the Russian Republic's control. Marubeni agreed to the payment of the bills through an L/C issued by a French bank with which the TV station has a business account. This is the first time Marubeni has accepted an L/C issued by a third country's bank in settling accounts with the Soviet Union.

In the past Marubeni might have received a BFEA-issued L/C, however, Japanese banks which make advance payments upon receiving L/Cs have become prudent in their dealings with the BFEA as it has become insecure because of such problems as the distribution of foreign debts [among various republics].

Other Japanese trading firms have also begun receiving requests from Soviet corporations about the settlement of accounts through a similar method.

Council To Announce Anti-Scandals Proposals

OW1109141191 Tokyo THE NIKKEI WEEKLY in English 14 Sep 91 p 4—FOR OFFICIAL USE ONLY

[Text] Three months after numerous stock scandals began coming to light, the Japanese government and the ruling Liberal Democratic Party [LDP] have drawn the outlines of a proposed institution to oversee the stock market and prevent future wrongdoing.

The Special Advisory Council on Enforcement of Administrative Reform on Sept. 3 agreed that the watchdog group should be set up outside the Finance Ministry. The council, an advisory body to Prime Minister Toshiki Kaifu, is expected to announce its recommendation later this week.

Tentatively called the Financial Fair Trade Commission, the new entity is expected to be a semi-independent board of five to seven members, who would be financial experts and possibly lawyers.

LDP sources said the body will have semijudicial power, such as the right to conduct investigations and initiate prosecutions.

At present, the Finance Ministry is responsible for both nurturing the securities industry and regulating it, a dual role seen by some critics as contradictory.

When the stock scandals were exposed, LDP leaders, including Secretary General Keizo Obuchi and former Finance Minister Kiichi Miyazawa, did not hesitate to join the call for a Japanese version of the U.S. Securities and Exchange Commission—in other words, a body that would be entirely independent of the Finance Ministry.

Council Chairman Eiji Suzuki, former president of the Japan Federation of Employers' Associations (Nikkeiren), was initially in favor of the idea. But he and other supporters later retreated from the idea, viewing the swift establishment of a regulatory agency with a staff of 2,000 as unrealistic.

Also on Sept. 3, the LDP's committee on financial policy rejected the Finance Ministry's plan to revise the Securities and Exchange Law.

The Finance Ministry failed in its first attempt late last month to win backing from the committee for its plan, which would make the payment of loss-compensation illegal, but would let the securities industry itself devise a definition of compensation.

The plan would also be limited to a maximum punishment of 1 year in jail or a fine of Y1 million [yen] for employees who promise or pay compensation. Clients who ask for or receive compensation would face a maximum term of 6 months or a Y500,000 fine.

Committee members claimed penalties against brokerages should also include the suspension of business.

LDP sources said that the ministry will attempt to work out a compromise with the committee this week.

For this reason, cabinet approval of the Securities and Exchange Law revision bill, originally expected in late August, will be put off to later this week or beyond.

Finance Minister Ryutaro Hashimoto has suggested that he will resign after the bill is passed by the current special session of the Diet.

Poll Shows 62% Favor Securities Watchdog Agency

OW1009045191 Tokyo MAINICHI SHIMBUN in Japanese 9 Sep 91 Morning Edition p 1 —FOR OFFICIAL USE ONLY

[Text] While there are views actively supporting or expressing caution about the creation of a watchdog agency to prevent the recurrence of securities scandals, more than 60 percent of the people think that such a supervisory agency should be created. This is shown in the results of a national opinion poll conducted by MAINICHI SHIMBUN from 30 August to 1 September.

According to the poll, while 62 percent of those polled believed that "a watchdog agency should be formed," only 10 percent thought that "the revision and strengthening of the Securities and Exchange Act will be sufficient," while another 24 percent answered "I do not know." Those supporting the creation of the agency included 69 percent of the male pollees, topping the 55 percent among females. Among the younger generation in their 20's and 30's, around 70 percent were in favor of creating such an agency, and a majority of managers and white collar workers, and those with high educational attainment supported a watchdog agency. In terms of the political parties supported by the pollees, a significant majority of supporters of the Social Democratic Party of Japan and the Japan Communist Party were in favor of forming a supervisory agency, and even 59 percent of Liberal Democratic Party [LDP] supporters favored such a proposition. Furthermore, 70 percent of those who have dealt in securities and 60 percent of those who have not, wanted such an agency, showing a certain perception gap.

With regard to the concrete mechanism of inspection and supervision, while the Ad Hoc Council on the Promotion of Administrative Reform (or Third Gyokakushin, chaired by Eiji Suzuki) is considering various proposals, such as forming a consultative committee in the Finance Ministry, the opposition parties hold that an independent watchdog agency similar to the Fair Trade Commission, armed with quasi-judicial powers, including inspection, supervision and persecution, should be created. Although the LDP and the Finance Ministry had asserted that "the revision of the Securities and Exchange Act would be sufficient" immediately after the scandals were exposed, the poll shows that such an idea enjoys no support among the people.

On the other hand, regarding the issue of "amakudari" [private companies hiring former senior bureaucrats after retirement or resignation] of Finance Ministry officials, 47 percent maintained that "amakudari is absolutely unacceptable,' and 36 percent said that "this is undesirable because it aggravates the close links between the Finance Ministry and the securities firms"—a combined total of more than 80 percent were against such a practice. While the Finance Ministry had later promised to practice self-restraint, at first, it had argued that "since people familiar with the workings of the industry are going into private firms, that is advantageous for both parties." The poll shows that a mere 3 percent supported such an idea.

The poll was held by interviewing 5,800 qualified voters all over the country, and replies were obtained from 72 percent of the total.

No Government Funds for Private Satellite Project

OW1909144291 Tokyo JIJI in English 1430 GMT 19 Sep 91—FOR OFFICIAL USE ONLY

[Text] Tokyo, Sept. 19 (JIJI PRESS)—Vice Posts and Telecommunications Minister Taizo Nakamura said Thursday the ministry has no plans to seek appropriations for supporting a private-sector project to develop broadcast satellite technology in its fiscal 1992 budget.

Nakamura's comment followed Wednesday's protest by the U.S. Government against the ministry's plan to provide 2 billion yen to set up a company that would have a facility for testing commercial satellites.

The facility, called the Space Chamber International, will be used to test the durability of satellites in a vacuum similar to space.

The United States argued that the ministry's involvement in the project could indirectly violate a 1990 bilateral accord which calls for the Japanese Government to treat Japanese and foreign suppliers equally on procurement of commercial satellites.

The ministry admitted that such a project once emerged as part of its satellite development program.

In response to Washington's inquiry early this month, however, it said there is no specific satellite development project involving the ministry.